

§ 828c. Applicability of this subchapter

Except as herein provided, the provisions of this subchapter shall not be construed as repealing or affecting any of the provisions of this chapter.

(Aug. 15, 1953, ch. 503, § 4, 67 Stat. 587.)

CODIFICATION

Section was not enacted as part of the Federal Power Act which generally comprises this chapter.

CHAPTER 12A—TENNESSEE VALLEY AUTHORITY

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CHAPTER REFERRED TO IN OTHER SECTIONS

This chapter is referred to in section 824k of this title; title 7 section 904; title 20 section 7702; title 28 section 1491; title 33 sections 558b, 558c.

§ 831. Creation; short title

For the purpose of maintaining and operating the properties now owned by the United States in the vicinity of Muscle Shoals, Alabama, in the interest of the National defense and for agricultural and industrial development, and to improve navigation in the Tennessee River and to control the destructive flood waters in the Tennessee River and Mississippi River Basins, there is created a body corporate by the name of the "Tennessee Valley Authority" (hereinafter referred to as the "Corporation"). The board of directors first appointed shall be deemed the incorporators, and the incorporation shall be held to have been effected from the date of the first meeting of the board. This chapter may be cited as the "Tennessee Valley Authority Act of 1933."

(May 18, 1933, ch. 32, § 1, 48 Stat. 58.)

CROSS REFERENCES

Financial control of Government Corporations, see section 9101 et seq. of Title 31, Money and Finance.

§ 831a. Directors of the Authority**(a) Composition of board; appointment and designation**

The board of directors of the Corporation (hereinafter referred to as the "board") shall be composed of three members, to be appointed by the President, by and with the advice and consent of the Senate. In appointing the members of the board, the President shall designate the chairman. All other officials, agents, and employees shall be designated and selected by the board.

(b) Terms of office; successors

The terms of office of the members first taking office after May 18, 1933, shall expire as designated by the President at the time of nomination, one at the end of the third year, one at the end of the sixth year, and one at the end of the ninth year, after May 18, 1933. A successor to a member of the board shall be appointed in the same manner as the original members and shall have a term of office expiring nine years from the date of the expiration of the term for which his predecessor was appointed.

(c) Vacancies

Any member appointed to fill a vacancy in the board occurring prior to the expiration of the

term for which his predecessor was appointed shall be appointed for the remainder of such term.

(d) Quorums

Vacancies in the board, so long as there shall be two members in office, shall not impair the powers of the board to execute the functions of the Corporation, and two of the members in office shall constitute a quorum for the transaction of the business of the board.

(e) Citizenship; compensation; Government housing; reimbursement for expenses; outside business

Each of the members of the board shall be a citizen of the United States. The compensation of each member of the board shall be paid by the Corporation as current expenses. Each member of the board, in addition to his salary, shall be permitted to occupy as his residence one of the dwelling houses owned by the Government in the vicinity of Muscle Shoals, Alabama, the same to be designated by the President of the United States. Members of the board shall be reimbursed by the Corporation for actual expenses (including traveling and subsistence expenses) incurred by them in the performance of the duties vested in the board by this chapter. No member of said board shall, during his continuance in office, be engaged in any other business, but each member shall devote himself to the work of the Corporation.

(f) Conflicts of interest

No director shall have financial interest in any public-utility corporation engaged in the business of distributing and selling power to the public nor in any corporation engaged in the manufacture, selling, or distribution of fixed nitrogen or fertilizer, or any ingredients thereof, nor shall any member have any interest in any business that may be adversely affected by the success of the Corporation as a producer of concentrated fertilizers or as a producer of electric power.

(g) Function of board

The board shall direct the exercise of all the powers of the Corporation.

(h) Confidence in the Authority

All members of the board shall be persons who profess a belief in the feasibility and wisdom of this chapter.

(May 18, 1933, ch. 32, § 2, 48 Stat. 59.)

CODIFICATION

Provisions covering the compensation of members of the board have been omitted as compensation of the Chairman and members of the board is covered by sections 5314 and 5315 of Title 5, Government Organization and Employees.

EMERGENCY PREPAREDNESS FUNCTIONS

For assignment of certain emergency preparedness functions to Board of Directors of Tennessee Valley Authority, see Parts 1, 2, and 24 of Ex. Ord. No. 12656, Nov. 18, 1988, 53 F.R. 47491, set out as a note under section 5195 of Title 42, The Public Health and Welfare.

§ 831b. Officers and employees; wages of laborers and mechanics; application of employees' compensation provisions

The board shall without regard to the provisions of Civil Service laws applicable to officers and employees of the United States, appoint such managers, assistant managers, officers, employees, attorneys, and agents as are necessary for the transaction of its business, fix their compensation, define their duties, and provide a system of organization to fix responsibility and promote efficiency. Any appointee of the board may be removed in the discretion of the board. No regular officer or employee of the Corporation shall receive a salary in excess of that received by the members of the board.

All contracts to which the Corporation is a party and which require the employment of laborers and mechanics in the construction, alteration, maintenance, or repair of buildings, dams, locks, or other projects shall contain a provision that not less than the prevailing rate of wages for work of a similar nature prevailing in the vicinity shall be paid to such laborers or mechanics.

In the event any dispute arises as to what are the prevailing rates of wages, the question shall be referred to the Secretary of Labor for determination, and his decision shall be final. In the determination of such prevailing rate or rates, due regard shall be given to those rates which have been secured through collective agreement by representatives of employers and employees.

Where such work as is described in the two preceding paragraphs is done directly by the Corporation the prevailing rate of wages shall be paid in the same manner as though such work had been let by contract.

Insofar as applicable, the benefits of subchapter I of chapter 81 of title 5 shall extend to persons given employment under the provisions of this chapter.

(May 18, 1933, ch. 32, § 3, 48 Stat. 59; June 6, 1972, Pub. L. 92-310, title II, § 225(a), 86 Stat. 206.)

REFERENCES IN TEXT

The Civil Service laws, referred to in text, are set forth in Title 5, Government Organization and Employees. See, particularly, section 3301 et seq. of Title 5. Offices and positions in the Tennessee Valley Authority were specifically excepted from the provisions of the Ramspeck Act (act Nov. 26, 1940, ch. 919, title I, § 1, 54 Stat. 1211), which authorized the President to cover into the classified (competitive) civil service any offices or positions in the executive branch.

CODIFICATION

In the last par., "subchapter I of chapter 81 of title 5" substituted for "the Act entitled 'An Act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes,' approved September 7, 1916, as amended" on authority of Pub. L. 89-554, § 7(b), Sept. 6, 1966, 80 Stat. 631, the first section of which enacted Title 5, Government Organization and Employees.

AMENDMENTS

1972—Pub. L. 92-310 struck out provisions which permitted the board to require bonds from managers, assistant managers, officers, employees, attorneys, and agents.

PAYMENT OF PHYSICIANS ALLOWANCES

Pub. L. 102-377, title IV, Oct. 2, 1992, 106 Stat. 1342, provided: "That this appropriation and other moneys available to the Tennessee Valley Authority may be used hereafter for payment of the allowances authorized by section 5948 of title 5, United States Code".

Similar provisions were contained in the following prior appropriation acts:

Pub. L. 102-104, title IV, Aug. 17, 1991, 105 Stat. 535.
 Pub. L. 101-514, title IV, Nov. 5, 1990, 104 Stat. 2097.
 Pub. L. 101-101, title IV, Sept. 29, 1989, 103 Stat. 665.
 Pub. L. 100-371, title IV, July 19, 1988, 102 Stat. 873.
 Pub. L. 100-202, § 101(d) [title IV], Dec. 22, 1987, 101 Stat. 1329-104, 1329-129.
 Pub. L. 99-500, § 101(e) [title IV], Oct. 18, 1986, 100 Stat. 1783-194, 1783-212, and Pub. L. 99-591, § 101(e) [title IV], Oct. 30, 1986, 100 Stat. 3341-194, 3341-212.

LEGAL REPRESENTATION

Customs Courts Act of 1980 as not affecting authority of Tennessee Valley Authority under this chapter to represent itself by attorneys of its choosing, see Pub. L. 96-417, title VII, § 705, Oct. 10, 1980, 94 Stat. 1748, set out as a note under section 251 of Title 28, Judiciary and Judicial Procedure.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in title 5 sections 5373, 5948; title 18 section 205.

§ 831b-1. Acceptance of services of volunteers

The Tennessee Valley Authority may on and after September 29, 1989, accept the services of volunteers and, from any funds available to it, provide for their incidental expenses to carry out any activity of the Tennessee Valley Authority except policymaking or law or regulatory enforcement. Such volunteers shall not be deemed employees of the United States Government, except for the purposes of chapter 81 of title 5 relating to compensation for work injuries, and shall not be deemed employees of the Tennessee Valley Authority except for the purposes of tort claims to the same extent as a regular employee of the Tennessee Valley Authority would be under identical circumstances.

(Pub. L. 101-101, title IV, Sept. 29, 1989, 103 Stat. 665.)

CODIFICATION

Section was enacted as part of the Energy and Water Development Appropriations Act, 1990, and not as part of the Tennessee Valley Authority Act of 1933 which comprises this chapter.

§ 831c. Corporate powers generally; eminent domain; construction of dams, transmission lines, etc.

Except as otherwise specifically provided in this chapter, the Corporation—

(a) Shall have succession in its corporate name.

(b) May sue and be sued in its corporate name.

(c) May adopt and use a corporate seal, which shall be judicially noticed.

(d) May make contracts, as herein authorized.

(e) May adopt, amend, and repeal bylaws.

(f) May purchase or lease and hold such real and personal property as it deems necessary or convenient in the transaction of its business, and may dispose of any such personal property held by it.

The board shall select a treasurer and as many assistant treasurers as it deems proper: *Pro-*

vided, That any member of said board may be removed from office at any time by a concurrent resolution of the Senate and the House of Representatives.

(g) Shall have such powers as may be necessary or appropriate for the exercise of the powers herein specifically conferred upon the Corporation.

(h) Shall have power in the name of the United States of America to exercise the right of eminent domain, and in the purchase of any real estate or the acquisition of real estate by condemnation proceedings, the title to such real estate shall be taken in the name of the United States of America, and thereupon all such real estate shall be entrusted to the Corporation as the agent of the United States to accomplish the purposes of this chapter.

(i) Shall have power to acquire real estate for the construction of dams, reservoirs, transmission lines, power houses, and other structures, and navigation projects at any point along the Tennessee River, or any of its tributaries, and in the event that the owner or owners of such property shall fail and refuse to sell to the Corporation at a price deemed fair and reasonable by the board, then the Corporation may proceed to exercise the right of eminent domain, and to condemn all property that it deems necessary for carrying out the purposes of this chapter, and all such condemnation proceedings shall be had pursuant to the provisions and requirements hereinafter specified, with reference to any and all condemnation proceedings: *Provided*, That nothing contained herein or elsewhere in this chapter shall be construed to deprive the Corporation of the rights conferred by sections 258a to 258e-1 of title 40.

(j) Shall have power to construct such dams, and reservoirs, in the Tennessee River and its tributaries, as in conjunction with Wilson Dam, and Norris, Wheeler, and Pickwick Landing Dams, now under construction, will provide a nine-foot channel in the said river and maintain a water supply for the same, from Knoxville to its mouth, and will best serve to promote navigation on the Tennessee River and its tributaries and control destructive flood waters in the Tennessee and Mississippi River drainage basins; and shall have power to acquire or construct power houses, power structures, transmission lines, navigation projects, and incidental works in the Tennessee River and its tributaries, and to unite the various power installations into one or more systems by transmission lines.

(k) Shall have power in the name of the United States—

(a) to convey by deed, lease, or otherwise, any real property in the possession of or under the control of the Corporation to any person or persons, for the purpose of recreation or use as a summer residence, or for the operation on such premises of pleasure resorts for boating, fishing, bathing, or any similar purpose;

(b) to convey by deed, lease, or otherwise, the possession and control of any such real property to any corporation, partnership, person, or persons for the purpose of erecting thereon docks and buildings for shipping purposes or the manufacture or storage thereon of

products for the purpose of trading or shipping in transportation: *Provided*, That no transfer authorized herein in (b) shall be made without the approval of Congress: *And provided further*, That said corporation, without further action of Congress, shall have power to convey by deed, lease, or otherwise, to the Ingalls Shipbuilding Corporation, a tract or tracts of land at or near Decatur, Alabama, and to the Commercial Barge Lines, Inc., a tract or tracts of land at or near Guntersville, Alabama;

(c) to transfer any part of the possession and control of the real estate now in possession of and under the control of said Corporation to any other department, agency, or instrumentality of the United States: *Provided, however*, That no land shall be conveyed, leased, or transferred, upon which there is located any permanent dam, hydroelectric power plant, or munitions plant heretofore or hereafter built by or for the United States or for the Authority, except that this prohibition shall not apply to the transfer of Nitrate Plant Numbered 1, at Muscle Shoals, Alabama, or to Waco Quarry: *And provided further*, That no transfer authorized herein in (a) or (c) except leases for terms of less than twenty years, shall be made without the approval of the President of the United States, if the property to be conveyed exceeds \$500 in value; and

(d) to convey by warranty deed, or otherwise, lands, easements, and rights-of-way to States, counties, municipalities, school districts, railroad companies, telephone, telegraph, water, and power companies, where any such conveyance is necessary in order to replace any such lands, easements, or rights-of-way to be flooded or destroyed as the result of the construction of any dam or reservoir now under construction by the Corporation, or subsequently authorized by Congress, and easements and rights-of-way upon which are located transmission or distribution lines. The Corporation shall also have power to convey or lease Nitrate Plant Numbered 1, at Muscle Shoals, Alabama, and Waco Quarry, with the approval of the Department of the Army and the President.

(l) Shall have power to advise and cooperate in the readjustment of the population displaced by the construction of dams, the acquisition of reservoir areas, the protection of watersheds, the acquisition of rights-of-way, and other necessary acquisitions of land, in order to effectuate the purposes of the chapter; and may cooperate with Federal, State, and local agencies to that end.

(May 18, 1933, ch. 32, §4, 48 Stat. 60; Aug. 31, 1935, ch. 836, §§1-3, 13, 49 Stat. 1075, 1076, 1080; July 18, 1941, ch. 309, 55 Stat. 599; July 26, 1947, ch. 343, title II, §205(a), 61 Stat. 501; June 6, 1972, Pub. L. 92-310, title II §225(b), 86 Stat. 206.)

CODIFICATION

Subsec. (j), last sentence, directed the directors of the Authority to report their recommendations to Congress not later than April 1, 1936, and has been omitted as executed.

AMENDMENTS

1972—Subsec. (f). Pub. L. 92-310 struck out provisions which required the treasurer and assistant treasurers

to give bonds for the safekeeping of securities and moneys of the Corporation.

1941—Subsec. (k). Act July 18, 1941, amended subsec. (k) generally.

1935—Subsec. (i). Act Aug. 31, 1935, §1, inserted proviso.

Subsec. (j). Act Aug. 31, 1935, §2, amended subsec. (j) generally.

Subsec. (k). Act Aug. 31, 1935, §3, added subsec. (k).

Subsec. (l). Act Aug. 31, 1935, §13, added subsec. (l).

CHANGE OF NAME

Department of War designated Department of the Army and title of Secretary of War changed to Secretary of the Army by section 205(a) of act July 26, 1947, ch. 343, title II, 61 Stat. 501. Section 205(a) of act July 26, 1947, was repealed by section 53 of act Aug. 10, 1956, ch. 1041, 70A Stat. 641. Section 1 of act Aug. 10, 1956, enacted "Title 10, Armed Forces" which in sections 3010 to 3013 continued military Department of the Army under administrative supervision of Secretary of the Army.

DELEGATION OF FUNCTIONS

Authority of President under subsec. (k) of this section to approve transfers under subsecs. (a) and (c) of this section, other than leases for terms of less than 20 years and conveyances of property having a value not in excess of \$500, delegated to Administrator of General Services, see section 1(16) of Ex. Ord. No. 11609, July 22, 1971, 36 F.R. 13747, set out as a note under section 301 of Title 3, The President.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 831c-2 of this title.

§ 831c-1. Bridges endangered or damaged by dams, etc.; compensation of and contracts with owner for protection, replacement, etc.

(a) Structures on Tennessee River or tributaries

Whenever, as the result of the construction of any dam, reservoir, or other improvement under the provisions of this chapter, or amendments thereto, including any improvement of the navigable channel to accommodate the growth of navigation or changes in navigation requirements within the reservoir created by any dam in the custody of the Tennessee Valley Authority, any bridge, trestle, or other highway or railroad structure located over, upon, or across the Tennessee River or any of its navigable tributaries, including approaches, fenders and appurtenances thereto, is endangered or otherwise adversely affected and damaged, including any interference with or impairment of its use, or, in the judgment of the Board of Directors of the Tennessee Valley Authority, needs to be raised, widened, or otherwise altered to provide the navigation clearances required for completion of the navigable channel to be provided by such improvement, to the extent that protection, alteration, reconstruction, relocation, or replacement is necessary or proper to preserve its safety or utility or to meet the requirements of navigation or flood control, or both, the owner or owners of such bridge, trestle, or structure shall be compensated by the Tennessee Valley Authority in the sum of the reasonable actual cost of such protection, alteration, reconstruction, relocation, or replacement: *Provided*, That in arriving at the amount of such compensation the bridge owner shall be charged with a sum which shall equal the net value to the owner of

any direct and special benefits accruing to the owner from any improvement or addition or betterment of the altered, reconstructed, relocated, or replaced bridge, trestle, or structure. The Tennessee Valley Authority is empowered to contract with such owner with respect to any such protection, alteration, reconstruction, relocation, or replacement, the payment of the cost thereof and its proper division, which contract may provide either for money compensation or for the performance of all or any part of the work by the Tennessee Valley Authority.

(b) Suit on contracts

In the event of a failure to agree upon the terms and conditions of any such contract, or upon any default in the performance of any contract entered into pursuant to this section, the bridge owner or the Tennessee Valley Authority shall have the right to bring suit to enforce its right or for a declaration of its rights under this section, or under any such contract, in the district court of the United States for the district in which the property in question is located. In any such proceeding the court shall apportion the total cost of the work between the Tennessee Valley Authority and the owner in accord with the provisions contained in this section. The Tennessee Valley Authority's share of the cost of any such protection, alteration, reconstruction, relocation, or replacement, under any contract made or judgment, award, or decree rendered under the provisions of this section may be paid out of any funds available for carrying out the provisions of this chapter, and appropriations for that purpose are hereby authorized: *Provided*, That, prior to such alteration, reconstruction, or relocation of said bridges, the location and plans shall be submitted to and approved by the Secretary of Transportation in accordance with existing laws.

(Nov. 21, 1941, ch. 480, 55 Stat. 773; Sept. 26, 1968, Pub. L. 90-524, 82 Stat. 876.)

CODIFICATION

Section was not enacted as part of the Tennessee Valley Authority Act which comprises this chapter.

AMENDMENTS

1968—Pub. L. 90-524 permitted the Authority to use appropriated funds to cover the Federal share of the cost of necessary bridge alterations where the alterations are obtained by agreement with the bridge owner, made this section applicable to alterations required by new reservoir projects and by realignment or other changes of the navigation channel to accommodate the growth of traffic or changes in navigation requirements within existing reservoirs, and substituted the Secretary of Transportation for the Chief of Engineers and the Secretary of the Army as the approving official.

§ 831c-2. Civil actions for injury or loss of property or personal injury or death

(a) Exclusiveness of remedy

(1) An action against the Tennessee Valley Authority for injury or loss of property, or personal injury or death arising or resulting from the negligent or wrongful act or omission of any employee of the Tennessee Valley Authority while acting within the scope of this office or

employment is exclusive¹ of any other civil action or proceeding by reason of the same subject matter against the employee or his estate whose act or omission gave rise to the claim. Any other civil action or proceeding arising out of or relating to the same subject matter against the employee or his estate is precluded without regard to when the act or omission occurred.

(2) Paragraph (1) does not extend or apply to a cognizable action against an employee of the Tennessee Valley Authority for money damages for a violation of the Constitution of the United States.

(b) Representation and removal

(1) Upon certification by the Tennessee Valley Authority that the defendant employee was acting within the scope of his office or employment at the time of the incident out of which the claim arose, any civil action or proceeding heretofore or hereafter commenced upon such claim in a United States district court shall be deemed an action against the Tennessee Valley Authority pursuant to 16 U.S.C. 831c(b) and the Tennessee Valley Authority shall be substituted as the party defendant.

(2) Upon certification by the Tennessee Valley Authority that the defendant employee was acting within the scope of his office or employment at the time of the incident out of which the claim arose, any civil action or proceeding commenced upon such claim in a State court shall be removed without bond at any time before trial by the Tennessee Valley Authority to the district court of the United States for the district and division embracing the place wherein it is pending. Such action shall be deemed an action brought against the Tennessee Valley Authority under the provisions of this title² and all references thereto, and the Tennessee Valley Authority shall be substituted as the party defendant. This certification of the Tennessee Valley Authority shall conclusively establish scope of office or employment for purposes of removal.

(3) In the event that the Tennessee Valley Authority has refused to certify scope of office or employment under this section, the employee may at any time before trial petition the court to find and certify that the employee was acting within the scope of his office or employment. Upon such certification by the court, such action shall be deemed an action brought against the Tennessee Valley Authority, and the Tennessee Valley Authority shall be substituted as the party defendant. A copy of the petition shall be served upon the Tennessee Valley Authority in accordance with the Federal Rules of Civil Procedure. In the event the petition is filed in a civil action or proceeding pending in a State court, the action or proceeding may be removed without bond by the Tennessee Valley Authority to the district court of the United States for the district and division embracing the place in which it is pending. If, in considering the petition, the district court determines that the employee was not acting within the scope of his office or employment, the action or proceeding shall be remanded to the State court.

(4) Upon certification, any actions subject to paragraph (1), (2), or (3) shall proceed in the same manner as any action against the Tennessee Valley Authority and shall be subject to the limitations and exceptions applicable to those actions.

(Pub. L. 100-694, §9(a), (b), Nov. 18, 1988, 102 Stat. 4566.)

REFERENCES IN TEXT

This title, referred to in subsec. (b)(2), probably should be this section, as Pub. L. 100-694, which enacted this section, did not contain titles.

The Federal Rules of Civil Procedure, referred to in subsec. (b)(3), are set out in the Appendix to Title 28, Judiciary and Judicial Procedure.

CODIFICATION

Section was enacted as part of the Federal Employees Liability Reform and Tort Compensation Act of 1988, and not as part of the Tennessee Valley Authority Act of 1933, which comprises this chapter.

EFFECTIVE DATE

Section effective Nov. 18, 1988, and applicable to all claims, civil actions, and proceedings pending on, or filed on or after Nov. 18, 1988, see section 8 of Pub. L. 100-694, set out as an Effective Date of 1988 Amendment note under section 2679 of Title 28, Judiciary and Judicial Procedure.

§ 831c-3. Law enforcement

(a) Designation of law enforcement agents

The Board may designate employees of the corporation to act as law enforcement agents in the area of jurisdiction described in subsection (c) of this section.

(b) Duties and powers

(1) Duties

A law enforcement agent designated under subsection (a) of this section shall maintain law and order and protect persons and property in the area of jurisdiction described in subsection (c) of this section and protect property and officials and employees of the corporation outside that area.

(2) Powers

In the performance of duties described in paragraph (1), a law enforcement agent designated under subsection (a) of this section may—

(A) make arrests without warrant for any offense against the United States committed in the agent's presence, or for any felony cognizable under the laws of the United States if the agent has probable cause to believe that the person to be arrested has committed or is committing such a felony;

(B) execute any warrant or other process issued by a court or officer of competent jurisdiction for the enforcement of any Federal law or regulation issued pursuant to law in connection with the investigation of an offense described in subparagraph (A);

(C) conduct an investigation of an offense described in subparagraph (A) in the absence of investigation of the offense by any Federal law enforcement agency having investigative jurisdiction over the offense or with the concurrence of that agency; and

¹ So in original. Probably should be "exclusive".

² See References in Text note below.

(D) carry firearms in carrying out any activity described in subparagraph (A), (B), or (C).

(c) Area of jurisdiction

A law enforcement agent designated under subsection (a) of this section shall be authorized to exercise the law enforcement duties and powers described in subsection (b) of this section—

(1) on any lands or facilities owned or leased by the corporation or within such adjoining areas in the vicinities of such lands or facilities as may be determined by the board under subsection (e) of this section; and

(2) on other lands or facilities—

(A) when the person to be arrested is in the process of fleeing from such lands, facilities, or adjoining areas to avoid arrest;

(B) in conjunction with the protection of property or officials or employees of the corporation on or within lands or facilities other than those owned or leased by the corporation; or

(C) in cooperation with other Federal, State, or local law enforcement agencies.

(d) Federal investigative jurisdiction and State civil and criminal jurisdiction not preempted

Nothing in this section shall be construed to—

(1) limit or restrict the investigative jurisdiction of any Federal law enforcement agency; or

(2) affect any right of a State or a political subdivision thereof to exercise civil and criminal jurisdiction on or within lands or facilities owned or leased by the corporation.

(e) Determination of adjoining areas

(1) In general

The board shall determine and may from time-to-time modify the adjoining areas for each facility or particular area of land, or for individual categories of such facilities or lands, for the purposes of subsection (c)(1) of this section.

(2) Notice

A notice and description of each adjoining area determination or modification of a determination made under paragraph (1) shall be published in the Federal Register.

(f) Qualifications and training

The board, in consultation with the Attorney General, shall adopt qualification and training standards for law enforcement agents designated under subsection (a) of this section.

(g) Relation to other law

A law enforcement agent designated under subsection (a) of this section shall not be considered to be a law enforcement officer of the United States for the purposes of any other law, and no law enforcement agent designated under subsection (a) of this section or other employee of the corporation shall receive an increase in compensation solely on account of this section.

(h) Relationship with Attorney General

The duties and powers of law enforcement agents designated under subsection (a) of this section that are described in subsection (b) of this section shall be exercised in accordance

with guidelines approved by the Attorney General.

(May 18, 1933, ch. 32, § 4A, as added Sept. 13, 1994, Pub. L. 103-322, title XXXII, § 320929, 108 Stat. 2133.)

§ 831d. Directors; maintenance and operation of plant for production, sale, and distribution of fertilizer and power

The board is authorized—

(a) To contract with commercial producers for the production of such fertilizers or fertilizer materials as may be needed in the Government's program of development and introduction in excess of that produced by Government plants. Such contracts may provide either for outright purchase of materials by the board or only for the payment of carrying charges on special materials manufactured at the board's request for its program.

(b) To arrange with farmers and farm organizations for large-scale practical use of the new forms of fertilizers under conditions permitting an accurate measure of the economic return they produce.

(c) To cooperate with National, State, district, or county experimental stations or demonstration farms, with farmers, landowners, and associations of farmers or landowners, for the use of new forms of fertilizer or fertilizer practices during the initial or experimental period of their introduction, and for promoting the prevention of soil erosion by the use of fertilizers and otherwise.

(d) The board, in order to improve and cheapen the production of fertilizer, is authorized to manufacture and sell fixed nitrogen, fertilizer, and fertilizer ingredients at Muscle Shoals by the employment of existing facilities, by modernizing existing plants, or by any other process or processes that in its judgment shall appear wise and profitable for the fixation of atmospheric nitrogen or the cheapening of the production of fertilizer.

(e) Under the authority of this chapter the board may make donations or sales of the product of the plant or plants operated by it to be fairly and equitably distributed through the agency of county demonstration agents, agricultural colleges, or otherwise as the board may direct, for experimentation, education, and introduction of the use of such products in cooperation with practical farmers so as to obtain information as to the value, effect, and best methods of their use.

(f) The board is authorized to make alterations, modifications, or improvements in existing plants and facilities, and to construct new plants.

(g) In the event it is not used for the fixation of nitrogen for agricultural purposes or leased, then the board shall maintain in stand-by condition nitrate plant numbered 2, or its equivalent, for the fixation of atmospheric nitrogen, for the production of explosives in the event of war or a national emergency, until the Congress shall by joint resolution release the board from this obligation, and if any part thereof be used by the board for the manufacture of phosphoric acid or potash, the balance of nitrate plant numbered 2 shall be kept in stand-by condition.

(h) To establish, maintain, and operate laboratories and experimental plants, and to undertake experiments for the purpose of enabling the Corporation to furnish nitrogen products for military purposes, and nitrogen and other fertilizer products for agricultural purposes in the most economical manner and at the highest standard of efficiency.

(i) To request the assistance and advice of any officer, agent, or employee of any executive department or of any independent office of the United States, to enable the Corporation the better to carry out its powers successfully, and as far as practicable shall utilize the services of such officers, agents, and employees, and the President shall, if in his opinion the public interest, service, or economy so require, direct that such assistance, advice, and service be rendered to the Corporation, and any individual that may be by the President directed to render such assistance, advice, and service shall be thereafter subject to the orders, rules, and regulations of the board: *Provided*, That any invention or discovery made by virtue of and incidental to such service by an employee of the Government of the United States serving under this section, or by any employee of the Corporation, together with any patents which may be granted thereon, shall be the sole and exclusive property of the Corporation, which is authorized to grant such licenses thereunder as shall be authorized by the board: *Provided further*, That the board may pay to such inventor such sum from the income from sale of licenses as it may deem proper.

(j) Upon the requisition of the Secretary of the Army or the Secretary of the Navy to manufacture for and sell at cost to the United States explosives or their nitrogenous content.

(k) Upon the requisition of the Secretary of the Army, the Corporation shall allot and deliver without charge to the Department of the Army so much power as shall be necessary in the judgment of said Department for use in operation of all locks, lifts, or other facilities in aid of navigation.

(l) To produce, distribute, and sell electric power, as herein particularly specified.

(May 18, 1933, ch. 32, § 5, 48 Stat. 61; Aug. 31, 1935, ch. 836, § 4, 49 Stat. 1076; July 26, 1947, ch. 343, title II, § 205(a), 61 Stat. 501; July 3, 1952, ch. 570, § 2(a), 66 Stat. 334; Aug. 6, 1959, Pub. L. 86-137, § 3, 73 Stat. 285; Sept. 14, 1976, Pub. L. 94-412, title V, § 501(d), 90 Stat. 1258.)

CODIFICATION

Former subsec. (n) authorized President within twelve months after May 18, 1933, to lease nitrate plant numbered 2 and Waco Quarry for production of fertilizer, and has been omitted as executed.

AMENDMENTS

1976—Subsec. (m). Pub. L. 94-412 struck out subsec. (m) which barred sale of TVA products outside United States except to Government for military use or its allies in case of war or until six months after termination of Korean emergency.

1959—Subsec. (m). Pub. L. 86-137 excepted ferrophosphorus.

1952—Subsec. (m). Joint Res. July 3, 1952, inserted “or, until six months after the termination of the national emergency proclaimed by the President on De-

cember 16, 1950, or until such earlier date or dates as the Congress by concurrent resolution or the President may provide but in no event after April 1, 1953, to nations associated with the United States in defense activities”.

1935—Subsec. (c). Act Aug. 31, 1935, inserted “with farmers, landowners, and associations of farmers and landowners,” after “demonstration farms” and “and for promoting the prevention of soil erosion by the use of fertilizers and otherwise” after “period of their introduction”.

CHANGE OF NAME

Department of War designated Department of the Army and title of Secretary of War changed to Secretary of the Army by section 205(a) of act July 26, 1947, ch. 343, title II, 61 Stat. 501. Section 205(a) of act July 26, 1947, was repealed by section 53 of act Aug. 10, 1956, ch. 1041, 70A Stat. 641. Section 1 of act Aug. 10, 1956, enacted “Title 10, Armed Forces” which in sections 3010 to 3013 continued military Department of the Army under administrative supervision of Secretary of the Army.

EFFECTIVE DATE OF 1952 AMENDMENT

Section 7 of Joint Res. July 3, 1952, provided that the amendment is effective June 16, 1952.

REPEAL OF PRIOR ACTS CONTINUING SUBSECTION (m)

Section 6 of Joint Res. July 3, 1952, ch. 570, 66 Stat. 334, repealed Joint Res. Apr. 14, 1952, ch. 204, 66 Stat. 54, as amended by Joint Res. May 28, 1952, ch. 339, 66 Stat. 96; Joint Res. June 14, 1952, ch. 437, 66 Stat. 137; Joint Res. June 30, 1952, ch. 526, 66 Stat. 296, which continued provisions of subsection (m) relating to sales to allies until July 3, 1952. This repeal was to take effect as of June 16, 1952, by section 7 of Joint Res. July 3, 1952.

SAVINGS PROVISION

Repeal of subsec. (m) of this section by Pub. L. 94-412, not to affect any action taken or proceeding pending at the time of repeal, see section 501(h) of Pub. L. 94-412, set out as a note under section 1601 of Title 50, War and National Defense.

SECRETARY OF THE AIR FORCE

For transfer of certain functions insofar as they pertain to Air Force, and to extent that they were not previously transferred to Secretary of the Air Force from Secretary of the Army, see Secretary of Defense Transfer Order No. 40 [App. A(40)], July 22, 1949.

TERMINATION OF FOREIGN SALES

Section 1 of Joint Res. Mar. 31, 1953, ch. 13, 67 Stat. 18, provided for the extension of certain emergency provisions (previously extended to April 1, 1953, by Joint Res. July 3, 1952, ch. 570, § 2(a), 66 Stat. 334) until July 1, 1953. Section 2 of said Joint Res. Mar. 31, 1953, provided that such extension did not apply to the provisions of this section.

§ 831e. Officers and employees; nonpolitical appointment; removal for violation

In the appointment of officials and the selection of employees for said Corporation, and in the promotion of any such employees or officials, no political test or qualification shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency. Any member of said board who is found by the President of the United States to be guilty of a violation of this section shall be removed from office by the President of the United States, and any appointee of said board who is found by the board to be guilty of a violation of this section shall be removed from office by said board.

(May 18, 1933, ch. 32, § 6, 48 Stat. 63.)

§ 831f. Control of plants and property vested in Corporation; transfer of other property to Corporation

In order to enable the Corporation to exercise the powers and duties vested in it by this chapter—

(a) The exclusive use, possession, and control of the United States nitrate plants numbered 1 and 2, including steam plants, located, respectively, at Sheffield, Alabama, and Muscle Shoals, Alabama, together with all real estate and buildings connected therewith, all tools and machinery, equipment, accessories, and materials belonging thereto, and all laboratories and plants used as auxiliaries thereto; the fixed-nitrogen research laboratory, the Waco limestone quarry, in Alabama, and Dam Numbered 2, located at Muscle Shoals, its power house, and all hydroelectric and operating appurtenances (except the locks), and all machinery, lands, and buildings in connection therewith, and all appurtenances thereof, and all other property to be acquired by the Corporation in its own name or in the name of the United States of America, are intrusted to the Corporation for the purposes of this chapter.

(b) The President of the United States is authorized to provide for the transfer to the Corporation of the use, possession, and control of such other real or personal property of the United States as he may from time to time deem necessary and proper for the purposes of the Corporation as herein stated.

(May 18, 1933, ch. 32, § 7, 48 Stat. 63.)

DELEGATION OF FUNCTIONS

Authority of President under subsection (b) of this section to provide for transfer to Tennessee Valley Authority of use, possession, and control of real or personal property of United States deemed by Administrator of General Services to be necessary and proper for purposes of that Authority as provided for in this section, delegated to Administrator of General Services, see section 1(17) of Ex. Ord. No. 11609, July 22, 1971, 36 F.R. 13747, set out as a note under section 301 of Title 3, The President.

§ 831g. Principal office of Corporation; books; directors' oath

(a) Location

The Corporation shall maintain its principal office in the immediate vicinity of Muscle Shoals, Alabama. The Corporation shall be held to be an inhabitant and resident of the northern judicial district of Alabama within the meaning of the laws of the United States relating to the venue of civil suits.

(b) Account books

The Corporation shall at all times maintain complete and accurate books of accounts.

(c) Oath of office

Each member of the board, before entering upon the duties of his office, shall subscribe to an oath (or affirmation) to support the Constitution of the United States and to faithfully and impartially perform the duties imposed upon him by this chapter.

(May 18, 1933, ch. 32, § 8, 48 Stat. 63.)

§ 831h. Annual financial statement; purchases and contracts; audit by Comptroller General

(a) Financial statement and report

The board shall file with the President and with the Congress, in March of each year, a financial statement and a complete report as to the business of the Corporation covering the preceding governmental fiscal year. This report shall include an itemized statement of the cost of power at each power station, the total number of employees and the names, salaries, and duties of those receiving compensation at the rate of more than \$1,500 a year.

(b) Bids; audits; settlements; accounts; contracts

All purchases and contracts for supplies or services, except for personal services, made by the Corporation, shall be made after advertising, in such manner and at such times sufficiently in advance of opening bids, as the Board shall determine to be adequate to insure notice and opportunity for competition: *Provided*, That advertisement shall not be required when, (1) an emergency requires immediate delivery of the supplies or performance of the services; or (2) repair parts, accessories, supplemental equipment, or services are required for supplies or services previously furnished or contracted for; or (3) the aggregate amount involved in any purchase of supplies or procurement of services does not exceed \$25,000; in which cases such purchases of supplies or procurement of services may be made in the open market in the manner common among businessmen: *Provided further*, That in comparing bids and in making awards the Board may consider such factors as relative quality and adaptability of supplies or services, the bidder's financial responsibility, skill, experience, record of integrity in dealing, ability to furnish repairs and maintenance services, the time of delivery or performance offered, and whether the bidder has complied with the specifications.

The Comptroller General of the United States shall audit the transactions of the Corporation at such times as he shall determine, but not less frequently than once each governmental fiscal year, with personnel of his selection. In such connection he and his representatives shall have free and open access to all papers, books, records, files, accounts, plants, warehouses, offices, and all other things, property, and places belonging to or under the control of or used or employed by the Corporation, and shall be afforded full facilities for counting all cash and verifying transactions with and balances in depositories. He shall make report of each such audit in quadruplicate, one copy for the President of the United States, one for the chairman of the Board, one for public inspection at the principal office of the Corporation, and the other to be retained by him for the uses of the Congress: *Provided*, That such report shall not be made until the Corporation shall have had reasonable opportunity to examine the exceptions and criticisms of the Comptroller General or the General Accounting Office, to point out errors therein, explain or answer the same, and to file a statement which shall be submitted by the

Comptroller General with his report. The expenses for each such audit shall be paid from any appropriation or appropriations for the General Accounting Office, and such part of such expenses as may be allocated to the cost of generating, transmitting, and distributing electric energy shall be reimbursed promptly by the Corporation as billed by the Comptroller General. Nothing in this chapter shall be construed to relieve the Treasurer or other accountable officers or employees of the Corporation from compliance with the provisions of existing law requiring the rendition of accounts for adjustment and settlement pursuant to sections 3526(a) and 3702(a) of title 31, and accounts for all receipts and disbursements by or for the Corporation shall be rendered accordingly: *Provided*, That, subject only to the provisions of this chapter, the Corporation is authorized to make such expenditures and to enter into such contracts, agreements, and arrangements, upon such terms and conditions and in such manner as it may deem necessary, including the final settlement of all claims and litigation by or against the Corporation; and, notwithstanding the provisions of any other law governing the expenditure of public funds, the General Accounting Office, in the settlement of the accounts of the Treasurer or other accountable officer or employee of the Corporation, shall not disallow credit for, nor withhold funds because of, any expenditure which the Board shall determine to have been necessary to carry out the provisions of said chapter.

The Corporation shall determine its own system of administrative accounts and the forms and contents of its contracts and other business documents except as otherwise provided in this chapter.

(May 18, 1933, ch. 32, § 9, 48 Stat. 63; Aug. 31, 1935, ch. 836, § 14, 49 Stat. 1080; Nov. 21, 1941, ch. 485, 55 Stat. 775; Aug. 30, 1954, ch. 1076, § 1 (32), 68 Stat. 968; July 25, 1974, Pub. L. 93-356, § 5, 88 Stat. 390; Apr. 21, 1976, Pub. L. 94-273, § 5(1), 90 Stat. 377; Dec. 1, 1983, Pub. L. 98-191, § 9(d), 97 Stat. 1332.)

CODIFICATION

In the second par. of subsec. (b), “sections 3526(a) and 3702(a) of title 31” substituted for “section 236, Revised Statutes, as amended by section 305 of the Budget and Accounting Act, 1921 (42 Stat. 24 [31 U.S.C. 71])” on authority of Pub. L. 97-258, § 4(b), Sept. 13, 1982, 96 Stat. 1067, the first section of which enacted Title 31, Money and Finance.

AMENDMENTS

1983—Subsec. (b)(3). Pub. L. 98-191 substituted “\$25,000” for “\$10,000”.

1976—Subsec. (a). Pub. L. 94-273 substituted “March” for “December”.

1974—Subsec. (b)(3). Pub. L. 93-356 substituted “\$10,000” for “\$500”.

1954—Subsec. (b). Act Aug. 30, 1954, in second paragraph, repealed a sentence requiring the Comptroller General to make special reports of any transactions or conditions found to be in conflict with the powers or duties entrusted to the Tennessee Valley Authority by law, such provision now being covered by section 9101 et seq. of Title 31, Money and Finance.

1941—Subsec. (b). Act Nov. 21, 1941, inserted last paragraph and last sentence of next to last paragraph.

1935—Subsec. (b). Act Aug. 31, 1935, amended subsec. (b) generally.

SINGLE AUDIT REQUIREMENTS

Tennessee Valley Authority audits unaffected by single audit requirements of chapter 75 (§7501 et seq.) of Title 31, Money and Finance, see section 2(b) of Pub. L. 98-502, set out as a note under section 7501 of Title 31.

AUDIT OF GOVERNMENT CORPORATIONS

Section 9105(f) of Title 31, Money and Finance, provides that the audit provided in section 9105(a) of Title 31 shall be in lieu of any audit of the financial transactions of any Government corporation required to be made by the General Accounting Office for the purpose of a report to the Congress or to the President under any existing law.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 831m, 831n-4 of this title; title 31 sections 3720, 3720A; title 41 section 612.

§ 831h-1. Operation of dams primarily for promotion of navigation and controlling floods; generation and sale of electricity

The Board is directed in the operation of any dam or reservoir in its possession and control to regulate the stream flow primarily for the purposes of promoting navigation and controlling floods. So far as may be consistent with such purposes, the Board is authorized to provide and operate facilities for the generation of electric energy at any such dam for the use of the Corporation and for the use of the United States or any agency thereof, and the Board is further authorized, whenever an opportunity is afforded, to provide and operate facilities for the generation of electric energy in order to avoid the waste of water power, to transmit and market such power as in this chapter provided, and thereby, so far as may be practicable, to assist in liquidating the cost or aid in the maintenance of the projects of the Authority.

(May 18, 1933, ch. 32, § 9a, as added Aug. 31, 1935, ch. 836, § 5, 49 Stat. 1076.)

§ 831h-2. Repealed. Pub. L. 86-137, § 1, Aug. 6, 1959, 73 Stat. 280

Section, act July 30, 1947, ch. 358, title II, § 201, 61 Stat. 574, placed a limitation on use of power revenues of the Tennessee Valley Authority. See section 831n-4 of this title.

§ 831i. Sale of surplus power; preferences; experimental work; acquisition of existing electric facilities

The Board is empowered and authorized to sell the surplus power not used in its operations, and for operation of locks and other works generated by it, to States, counties, municipalities, corporations, partnerships, or individuals, according to the policies hereinafter set forth; and to carry out said authority, the Board is authorized to enter into contracts for such sale for a term not exceeding twenty years, and in the sale of such current by the Board it shall give preference to States, counties, municipalities, and cooperative organizations of citizens or farmers, not organized or doing business for profit, but primarily for the purpose of supplying electricity to its own citizens or members: *Provided*, That all contracts made with private companies or individuals for the sale of power, which power

is to be resold for a profit, shall contain a provision authorizing the Board to cancel said contract upon five years' notice in writing, if the Board needs said power to supply the demands of States, counties, or municipalities. In order to promote and encourage the fullest possible use of electric light and power on farms within reasonable distance of any of its transmission lines the Board in its discretion shall have power to construct transmission lines to farms and small villages that are not otherwise supplied with electricity at reasonable rates, and to make such rules and regulations governing such sale and distribution of such electric power as in its judgment may be just and equitable: *Provided further*, That the Board is authorized and directed to make studies, experiments, and determinations to promote the wider and better use of electric power for agricultural and domestic use, or for small or local industries, and it may cooperate with State governments, or their subdivisions or agencies, with educational or research institutions, and with cooperatives or other organizations, in the application of electric power to the fuller and better balanced development of the resources of the region: *Provided further*, That the Board is authorized to include in any contract for the sale of power such terms and conditions, including resale rate schedules, and to provide for such rules and regulations as in its judgment may be necessary or desirable for carrying out the purposes of this chapter, and in case the purchaser shall fail to comply with any such terms and conditions, or violate any such rules and regulations, said contract may provide that it shall be voidable at the election of the Board: *Provided further*, That in order to supply farms and small villages with electric power directly as contemplated by this section, the Board in its discretion shall have power to acquire existing electric facilities used in serving such farms and small villages: *And provided further*, That the terms "States", "counties", and "municipalities" as used in this chapter shall be construed to include the public agencies of any of them unless the context requires a different construction.

(May 18, 1933, ch. 32, §10, 48 Stat. 64; Aug. 31, 1935, ch. 836, §6, 49 Stat. 1076.)

AMENDMENTS

1935—Act Aug. 31, 1935, inserted last three provisos.

§ 831j. Equitable distribution of surplus power among States and municipalities; improvement in production of fertilizer

It is declared to be the policy of the Government so far as practical to distribute and sell the surplus power generated at Muscle Shoals equitably among the States, counties, and municipalities within transmission distance. This policy is further declared to be that the projects herein provided for shall be considered primarily as for the benefit of the people of the section as a whole and particularly the domestic and rural consumers to whom the power can economically be made available, and accordingly that sale to and use by industry shall be a secondary purpose, to be utilized principally to secure a sufficiently high load factor and revenue returns

which will permit domestic and rural use at the lowest possible rates and in such manner as to encourage increased domestic and rural use of electricity. It is further declared to be the policy of the Government to utilize the Muscle Shoals properties so far as may be necessary to improve, increase, and cheapen the production of fertilizer and fertilizer ingredients by carrying out the provisions of this chapter.

(May 18, 1933, ch. 32, §11, 48 Stat. 64.)

§ 831k. Transmission lines; construction or lease; sale of power over other than Government lines; rates when sold for resale at profit

In order to place the board upon a fair basis for making such contracts and for receiving bids for the sale of such power, it is expressly authorized, either from appropriations made by Congress or from funds secured from the sale of such power, or from funds, secured by the sale of bonds hereafter provided for, to construct, lease, purchase, or authorize the construction of transmission lines within transmission distance from the place where generated, and to interconnect with other systems. The board is also authorized to lease to any person, persons, or corporation the use of any transmission line owned by the Government and operated by the board, but no such lease shall be made that in any way interferes with the use of such transmission line by the board: *Provided*, That if any State, county, municipality, or other public or cooperative organization of citizens or farmers, not organized or doing business for profit, but primarily for the purpose of supplying electricity to its own citizens or members, or any two or more of such municipalities or organizations, shall construct or agree to construct and maintain a properly designed and built transmission line to the Government reservation upon which is located a Government generating plant, or to a main transmission line owned by the Government or leased by the board and under the control of the board, the board is authorized and directed to contract with such State, county, municipality, or other organization, or two or more of them, for the sale of electricity for a term not exceeding thirty years; and in any such case the board shall give to such State, county, municipality, or other organization ample time to fully comply with any local law now in existence or hereafter enacted providing for the necessary legal authority for such State, county, municipality, or other organization to contract with the board for such power: *Provided further*, That all contracts entered into between the Corporation and any municipality or other political subdivision or cooperative organization shall provide that the electric power shall be sold and distributed to the ultimate consumer without discrimination as between consumers of the same class, and such contract shall be voidable at the election of the board if a discriminatory rate, rebate, or other special concession is made or given to any consumer or user by the municipality or other political subdivision or cooperative organization: *And provided further*, That as to any surplus power not so sold as above provided to States, counties, municipalities, or other said organizations, before the board shall sell the

same to any person or corporation engaged in the distribution and resale of electricity for profit, it shall require said person or corporation to agree that any resale of such electric power by said person or corporation shall be made to the ultimate consumer of such electric power at prices that shall not exceed a schedule fixed by the board from time to time as reasonable, just, and fair; and in case of any such sale, if an amount is charged the ultimate consumer which is in excess of the price so deemed to be just, reasonable, and fair by the board, the contract for such sale between the board and such distributor of electricity shall be voidable at the election of the board: *And provided further*, That the board is authorized to enter into contracts with other power systems for the mutual exchange of unused excess power upon suitable terms, for the conservation of stored water, and as an emergency or break-down relief.

(May 18, 1933, ch. 32, § 12, 48 Stat. 65.)

§ 831k-1. Extension of credit to States, municipalities and nonprofit organizations to assist in operation of existing facilities

In order (1) to facilitate the disposition of the surplus power of the Corporation according to the policies set forth in this chapter; (2) to give effect to the priority herein accorded to States, counties, municipalities, and nonprofit organizations in the purchase of such power by enabling them to acquire facilities for the distribution of such power; and (3) at the same time to preserve existing distribution facilities as going concerns and avoid duplication of such facilities, the Board is authorized to advise and cooperate with and assist, by extending credit for a period of not exceeding five years to, States, counties, municipalities and nonprofit organizations situated within transmission distance from any dam where such power is generated by the Corporation in acquiring, improving, and operating (a) existing distribution facilities and incidental works, including generating plants; and (b) interconnecting transmission lines; or in acquiring any interest in such facilities, incidental works, and lines.

(May 18, 1933, ch. 32, § 12a, as added Aug. 31, 1935, ch. 836, § 7, 49 Stat. 1076.)

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 831n-1, 831n-3 of this title.

§ 831I. Financial assistance to States and local governments in lieu of taxation; apportionment; limitation on contracts for sale of power to municipalities; report to Congress

In order to render financial assistance to those States and local governments in which the power operations of the Corporation are carried on and in which the Corporation has acquired properties previously subject to State and local taxation, the board is authorized and directed to pay to said States, and the counties therein, for each fiscal year, beginning July 1, 1940, the following percentages of the gross proceeds derived from the sale of power by the Corporation for the preceding fiscal year as hereinafter provided, together with such additional amounts as

may be payable pursuant to the provisions hereinafter set forth, said payments to constitute a charge against the power operations of the Corporation: For the fiscal year (beginning July 1) 1940, 10 per centum; 1941, 9 per centum; 1942, 8 per centum; 1943, 7½ per centum; 1944, 7 per centum; 1945, 6½ per centum; 1946, 6 per centum; 1947, 5½ per centum; 1948 and each fiscal year thereafter, 5 per centum. "Gross proceeds", as used in this section, is defined as the total gross proceeds derived by the Corporation from the sale of power for the preceding fiscal year, excluding power used by the Corporation or sold or delivered to any other department or agency of the Government of the United States for any purpose other than the resale thereof. The payments herein authorized are in lieu of taxation, and the Corporation, its property, franchises and income, are expressly exempted from taxation in any manner or form by any State, county, municipality, or any subdivision or district thereof.

The payment for each fiscal year shall be apportioned among said States in the following manner: One-half of said payment shall be apportioned by paying to each State the percentage thereof which the gross proceeds of the power sales by the Corporation within said State during the preceding fiscal year bears to the total gross proceeds from all power sales by the Corporation during the preceding fiscal year; the remaining one-half of said payment shall be apportioned by paying to each State the percentage thereof which the book value of the power property held by the Corporation within said State at the end of the preceding fiscal year bears to the total book value of all such property held by the Corporation on the same date. The book value of power property shall include that portion of the investment allocated or estimated to be allocable to power: *Provided*, That the minimum annual payment to each State (including payments to counties therein) shall not be less than an amount equal to the two-year average of the State and local ad valorem property taxes levied against power property purchased and operated by the Corporation in said State and against that portion of reservoir lands related to dams constructed by or on behalf of the United States Government and held or operated by the Corporation and allocated or estimated to be allocable to power. The said two-year average shall be calculated for the last two tax years during which said property was privately owned and operated or said land was privately owned: *Provided further*, That the minimum annual payment to each State in which the Corporation owns and operates power property (including payments to counties therein) shall not be less than \$10,000 in any case: *Provided further*, That the corporation¹ shall pay directly to the respective counties the two-year average of county ad valorem property taxes (including taxes levied by taxing districts within the respective counties) upon power property and reservoir lands allocable to power, determined as above provided, and all payments to any such county within a State shall be deducted from the payment otherwise due to such State under the provisions of this section. The

¹ So in original. Probably should be capitalized.

determination of the board of the amounts due hereunder to the respective States and counties shall be final.

The payments above provided shall in each case be made to the State or county in equal monthly installments beginning not later than July 31, 1940.

Nothing herein shall be construed to limit the authority of the Corporation in its contracts for the sale of power to municipalities, to permit or provide for the resale of power at rates which may include an amount to cover tax-equivalent payments to the municipality in lieu of State, county, and municipal taxes upon any distribution system or property owned by the municipality, or any agency thereof, conditioned upon a proper distribution by the municipality of any amounts collected by it in lieu of State or county taxes upon any such distribution system or property; it being the intention of Congress that either the municipality or the State in which the municipality is situated shall provide for the proper distribution to the State and county of any portion of tax equivalent so collected by the municipality in lieu of State or county taxes upon any such distribution system or property.

The Corporation shall, not later than January 1, 1945, submit to the Congress a report on the operation of the provisions of this section, including a statement of the distribution to the various States and counties hereunder; the effect of the operation of the provisions of this section on State and local finances; an appraisal of the benefits of the program of the Corporation to the States and counties receiving payments hereunder, and the effect of such benefits in increasing taxable values within such States and counties; and such other data, information, and recommendations as may be pertinent to future legislation.

(May 18, 1933, ch. 32, §13, 48 Stat. 66; June 26, 1940, ch. 432, §39, 54 Stat. 626.)

AMENDMENTS

1940—Act June 26, 1940, amended section generally.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 831n-4 of this title; title 20 section 7702.

§ 831m. Allocation and charge of value and cost of plants to particular objects; cost accounting; reports of costs of operation; sale of surplus power at profit

The Board shall make a thorough investigation as to the present value of Dam Numbered 2, and the steam plants at nitrate plant numbered 1, and nitrate plant numbered 2, and as to the cost of Cove Creek Dam, for the purpose of ascertaining how much of the value or the cost of said properties shall be allocated and charged up to (1) flood control, (2) navigation, (3) fertilizer, (4) national defense, and (5) the development of power. The findings thus made by the Board, when approved by the President of the United States, shall be final, and such findings shall thereafter be used in all allocation of value for the purpose of keeping the book value of said properties. In like manner, the cost and book value of any dams, steam plants, or other similar improvements hereafter constructed and

turned over to said Board for the purpose of control and management shall be ascertained and allocated. The Board shall, on or before January 1, 1937, file with Congress a statement of its allocation of the value of all such properties turned over to said Board, and which have been completed prior to the end of the preceding fiscal year, and shall thereafter in its annual report to Congress file a statement of its allocation of the value of such properties as have been completed during the preceding fiscal year.

For the purpose of accumulating data useful to the Congress in the formulation of legislative policy in matters relating to the generation, transmission, and distribution of electric energy and the production of chemicals necessary to national defense and useful in agriculture, and to the Federal Power Commission and other Federal and State agencies, and to the public, the Board shall keep complete accounts of its costs of generation, transmission, and distribution of electric energy and shall keep a complete account of the total cost of generating and transmission facilities constructed or otherwise acquired by the Corporation, and of producing such chemicals, and a description of the major components of such costs according to such uniform systems of accounting for public utilities as the Federal Power Commission has, and if it have none, then it is empowered and directed to prescribe such uniform system of accounting, together with records of such other physical data and operating statistics of the Authority as may be helpful in determining the actual cost and value of services, and the practices, methods, facilities, equipment, appliances, and standards and sizes, types, location, and geographical and economic integration of plants and systems best suited to promote the public interest, efficiency, and the wider and more economical use of electric energy. Such data shall be reported to the Congress by the Board from time to time, with appropriate analyses and recommendations, and, so far as practicable, shall be made available to the Federal Power Commission and other Federal and State agencies which may be concerned with the administration of legislation relating to the generation, transmission, or distribution of electric energy and chemicals useful to agriculture. It is declared to be the policy of this chapter that, in order, as soon as practicable, to make the power projects self-supporting and self-liquidating, the surplus power shall be sold at rates which, in the opinion of the Board, when applied to the normal capacity of the Authority's power facilities, will produce gross revenues in excess of the cost of production of said power and in addition to the statement of the cost of power at each power station as required by section 831h of this title, the Board shall file with each annual report, a statement of the total cost of all power generated by it at all power stations during each year, the average cost of such power per kilowatt hour, the rates at which sold, and to whom sold, and copies of all contracts for the sale of power.

(May 18, 1933, ch. 32, §14, 48 Stat. 66; Aug. 31, 1935, ch. 836, §8, 49 Stat. 1077.)

AMENDMENTS

1935—Act of Aug. 31, 1935, inserted provision requiring the Board to report to Congress on the allocation of the

value of the properties turned over to the Board and paragraph requiring the Board to keep complete accounts on the cost of generation, transmission and distribution of electric energy and production of chemicals necessary to national defense and useful to agriculture and to report to Congress the total cost of all power generated by all power stations and authorized the sale of surplus power.

TRANSFER OF FUNCTIONS

Federal Power Commission terminated and its functions, personnel, property, funds, etc., transferred to Secretary of Energy (except for certain functions transferred to Federal Energy Regulatory Commission) by sections 7151(b), 7171(a), 7172(a), 7291, and 7293 of Title 42, The Public Health and Welfare.

§ 831m-1. Tennessee Valley Authority least-cost planning program

(a) In general

The Tennessee Valley Authority shall conduct a least-cost planning program in accordance with this section.

(b) Conduct of program

(1) In general

In conducting a least-cost planning program under subsection (a) of this section, the Tennessee Valley Authority shall employ and implement a planning and selection process for new energy resources which evaluates the full range of existing and incremental resources (including new power supplies, energy conservation and efficiency, and renewable energy resources) in order to provide adequate and reliable service to electric customers of the Tennessee Valley Authority at the lowest system cost.

(2) Planning and selection process

The planning and selection process referred to in paragraph (1) shall—

(A) take into account necessary features for system operation, including diversity, reliability, dispatchability, and other factors of risk;

(B) take into account the ability to verify energy savings achieved through energy conservation and efficiency and the projected durability of such savings measured over time; and

(C) treat demand and supply resources on a consistent and integrated basis.

(3) “System cost” defined

As used in paragraph (1), the term “system cost” means all direct and quantifiable net costs for an energy resource over its available life, including the cost of production, transportation, utilization, waste management, environmental compliance, and, in the case of imported energy resources, maintaining access to foreign sources of supply.

(c) Participation by distributors

(1) In general

In conducting a least-cost planning program under subsection (a) of this section, the Tennessee Valley Authority shall—

(A) provide an opportunity for distributors of the Tennessee Valley Authority to recommend cost-effective energy efficiency opportunities, rate structure incentives, and

renewable energy proposals for inclusion in such program; and

(B) encourage and assist such distributors in the planning and implementation of cost-effective energy efficiency options.

(2) Assistance

The Tennessee Valley Authority shall provide appropriate assistance to distributors under paragraph (1)(B). Such assistance shall, where cost effective, be provided by the Tennessee Valley Authority acting through, or in cooperation with, an association of distributors. Such assistance may include publications, workshops, conferences, one-on-one assistance, financial assistance, equipment loans, technology assessment studies, marketing studies, and other appropriate mechanisms to transfer information on energy efficiency and renewable energy options and programs to customers.

(d) Public review and comment

Before the selection and addition of a major new energy resource on the Tennessee Valley Authority system, the Tennessee Valley Authority shall provide an opportunity for public review and comment and shall include a description of any such action in an annual report to the President and Congress.

(e) Exemption from certain requirements

The Tennessee Valley Authority shall not be subject to the least-cost planning requirements contained in section 2621(d) of this title or any similar requirement which might arise out of the Tennessee Valley Authority's electric power transactions with the Southeastern Power Administration.

(Pub. L. 102-486, title I, §113, Oct. 24, 1992, 106 Stat. 2798.)

CODIFICATION

Section was enacted as part of the Energy Policy Act of 1992, and not as part of the Tennessee Valley Authority Act of 1933 which comprises this chapter.

§ 831n. Bonds for future construction; amount, terms, and conditions

In the construction of any future dam, steam plant, or other facility, to be used in whole or in part for the generation or transmission of electric power the board is authorized and empowered to issue on the credit of the United States and to sell serial bonds not exceeding \$50,000,000 in amount, having a maturity not more than fifty years from the date of issue thereof, and bearing interest not exceeding 3½ per centum per annum. Said bonds shall be issued and sold in amounts and prices approved by the Secretary of the Treasury, but all such bonds as may be so issued and sold shall have equal rank. None of said bonds shall be sold below par, and no fee, commission, or compensation whatever shall be paid to any person, firm, or corporation for handling, negotiating the sale, or selling the said bonds. All of such bonds so issued and sold shall have all the rights and privileges accorded by law to Panama Canal bonds, authorized by section 8 of the Act of June 28, 1902, chapter 1302, as amended by the Act of December 21, 1905 (ch. 3, sec. 1, 34 Stat. 5). All funds derived from the

sale of such bonds shall be paid over to the Corporation.

(May 18, 1933, ch. 32, § 15, 48 Stat. 66.)

REFERENCES IN TEXT

Section 8 of the Act of June 28, 1902, chapter 1302, as amended by the Act of December 21, 1905 (ch. 3, sec. 1, 34 Stat. 5), referred to in text, was classified to sections 743, 744, and 744 note of former Title 31 and was repealed in part by Pub. L. 97-258, § 5(b), Sept. 13, 1982, 96 Stat. 1068, the first section of which enacted Title 31, Money and Finance, and in part by Pub. L. 97-452, § 4(b), Jan. 12, 1983, 96 Stat. 2480.

CROSS REFERENCES

Bonds not to be issued under this section, see section 831n-2 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 831n-2 of this title.

§ 831n-1. Bonds to carry out provisions of section 831k-1; amount, terms, and conditions

With the approval of the Secretary of the Treasury, the Corporation is authorized to issue bonds not to exceed in the aggregate \$50,000,000 outstanding at any one time, which bonds may be sold by the Corporation to obtain funds to carry out the provisions of section 831k-1 of this title. Such bonds shall be in such forms and denominations, shall mature within such periods not more than fifty years from the date of their issue, may be redeemable at the option of the Corporation before maturity in such manner as may be stipulated therein, shall bear such rates of interest not exceeding 3½ per centum per annum, shall be subject to such terms and conditions, shall be issued in such manner and amount, and sold at such prices, as may be prescribed by the Corporation, with the approval of the Secretary of the Treasury: *Provided*, That such bonds shall not be sold at such prices or on such terms as to afford an investment yield to the holders in excess of 3½ per centum per annum. Such bonds shall be fully and unconditionally guaranteed both as to interest and principal by the United States, and such guaranty shall be expressed on the face thereof, and such bonds shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof. In the event that the Corporation should not pay upon demand, when due, the principal of, or interest on, such bonds, the Secretary of the Treasury shall pay to the holder the amount thereof, which is authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such bonds. The Secretary of the Treasury, in his discretion, is authorized to purchase any bonds issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under chapter 31 of title 31, and the purposes for which securities may be issued under such chapter are extended to include any pur-

chases of the Corporation's bonds hereunder. The Secretary of the Treasury may, at any time, sell any of the bonds of the Corporation acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of the bonds of the Corporation shall be treated as public-debt transactions of the United States. With the approval of the Secretary of the Treasury, the Corporation shall have power to purchase such bonds in the open market at any time and at any price. No bonds shall be issued hereunder to provide funds or bonds necessary for the performance of any proposed contract negotiated by the Corporation under the authority of section 831k-1 of this title until the proposed contract shall have been submitted to and approved by the Federal Power Commission. When any such proposed contract shall have been submitted to the said Commission, the matter shall be given precedence and shall be in every way expedited and the Commission's determination of the matter shall be final. The authority of the Corporation to issue bonds hereunder shall expire at the end of five years from the date when this section as amended herein becomes law, except that such bonds may be issued at any time after the expiration of said period to provide bonds or funds necessary for the performance of any contract entered into by the Corporation, prior to the expiration of said period, under the authority of section 831k-1 of this title.

(May 18, 1933, ch. 32, § 15a, as added Aug. 31, 1935, ch. 836, § 9, 49 Stat. 1078.)

REFERENCES IN TEXT

The date when this section as amended herein becomes law, referred to in text, probably means August 31, 1935.

CODIFICATION

"Chapter 31 of title 31" and "such chapter" substituted in text for "the Second Liberty Bond Act, as amended" and "such Act, as amended," respectively, on authority of Pub. L. 97-258, § 4(b), Sept. 13, 1982, 96 Stat. 1067, the first section of which enacted Title 31, Money and Finance.

TRANSFER OF FUNCTIONS

Federal Power Commission terminated and its functions, personnel, property, funds, etc., transferred to Secretary of Energy (except for certain functions transferred to Federal Energy Regulatory Commission) by sections 7151(b), 7171(a), 7172(a), 7291, and 7293 of Title 42, The Public Health and Welfare.

CROSS REFERENCES

Bonds not to be issued under this section, see section 831n-2 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 831n-2 of this title.

§ 831n-2. Bonds; limitation of issuance under sections 831n and 831n-1

No bonds shall be issued by the Corporation after the date of enactment of this section under section 831n or 831n-1 of this title.

(May 18, 1933, ch. 32, § 15b, as added July 26, 1939, ch. 366, 53 Stat. 1083.)

REFERENCES IN TEXT

The date of enactment of this section, referred to in text, probably means July 26, 1939.

§ 831n-3. Use of funds; limitation of issuance

With the approval of the Secretary of the Treasury the Corporation is authorized, after the date of enactment of this section, to issue bonds not to exceed in the aggregate \$61,500,000. Such bonds may be sold by the Corporation to obtain funds which may be used for the following purposes only:

(1) Not to exceed \$46,000,000 may be used for the purchase of electric utility properties of the Tennessee Electric Power Company and Southern Tennessee Power Company, as contemplated in the contract between the Corporation and the Commonwealth and Southern Corporation and others, dated as of May 12, 1939.

(2) Not to exceed \$6,500,000 may be used for the purchase and rehabilitation of electric utility properties of the Alabama Power Company and Mississippi Power Company in the following named counties in northern Alabama and northern Mississippi: The counties of Jackson, Madison, Limestone, Lauderdale, Colbert, Lawrence, Morgan, Marshall, De Kalb, Cherokee, Cullman, Winston, Franklin, Marion, and Lamar in northern Alabama, and the counties of Calhoun, Chickasaw, Monroe, Clay, Lowndes, Oktibbeha, Choctaw, Webster, Noxubee, Winston, Neshoba, and Kemper in northern Mississippi.

(3) Not to exceed \$3,500,000 may be used for rebuilding, replacing, and repairing electric utility properties purchased by the Corporation in accordance with the foregoing provisions of this section.

(4) Not to exceed \$3,500,000 may be used for constructing electric transmission lines, substations, and other electrical facilities necessary to connect the electric utility properties purchased by the Corporation in accordance with the foregoing provisions of this section with the electric power system of the Corporation.

(5) Not to exceed \$2,000,000 may be used for making loans under section 831k-1 of this title to States, counties, municipalities, and non-profit organizations to enable them to purchase any electric utility properties referred to in the contract between the Corporation and the Commonwealth and Southern Corporation and others, dated as of May 12, 1939, or any electric utility properties of the Alabama Power Company or Mississippi Power Company in any of the counties in northern Alabama or northern Mississippi named in paragraph (2) of this section.

The Corporation shall file with the President and with the Congress in December of each year a financial statement and complete report as to the expenditure of funds derived from the sale of bonds under this section covering the period not covered by any such previous statement or report. Such bonds shall be in such forms and denominations, shall mature within such periods not more than fifty years from the date of their issue, may be redeemable at the option of the Corporation before maturity in such manner as may be stipulated therein, shall bear such rates of interest not exceeding $3\frac{1}{2}$ per centum per annum, shall be subject to such terms and con-

ditions, shall be issued in such manner and amount, and sold at such prices, as may be prescribed by the Corporation with the approval of the Secretary of the Treasury: *Provided*, That such bonds shall not be sold at such prices or on such terms as to afford an investment yield to the holders in excess of $3\frac{1}{2}$ per centum per annum. Such bonds shall be fully and unconditionally guaranteed both as to interest and principal by the United States, and such guaranty shall be expressed on the face thereof, and such bonds shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof. In the event that the Corporation should not pay upon demand when due, the principal of, or interest on, such bonds, the Secretary of the Treasury shall pay to the holder the amount thereof, which is authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such bonds. The Secretary of the Treasury, in his discretion, is authorized to purchase any bonds issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under chapter 31 of title 31, and the purposes for which securities may be issued under such chapter are extended to include any purchases of the Corporation's bonds hereunder. The Secretary of the Treasury may, at any time, sell any of the bonds of the Corporation acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of the bonds of the Corporation shall be treated as public-debt transactions of the United States. With the approval of the Secretary of the Treasury, the Corporation shall have power to purchase such bonds in the open market at any time and at any price. None of the proceeds of the bonds shall be used for the performance of any proposed contract negotiated by the Corporation under the authority of section 831k-1 of this title until the proposed contract shall have been submitted to and approved by the Federal Power Commission. When any such proposed contract shall have been submitted to the said Commission, the matter shall be given precedence and shall be in every way expedited and the Commission's determination of the matter shall be final. The authority of the Corporation to issue bonds under this section shall expire January 1, 1941, except that if at the time such authority expires the amount of bonds issued by the Corporation under this section is less than \$61,500,000, the Corporation may, subject to the foregoing provisions of this section, issue, after the expiration of such period, bonds in an amount not in excess of the amount by which the bonds so issued prior to the expiration of such period is less than \$61,500,000, for refunding purposes, or, subject to the provisions of paragraph (5) of this section (limiting the purposes for which loans under section 831k-1 of this title of funds derived from bonds proceeds may be made) to provide funds found necessary in the

performance of any contract entered into by the Corporation prior to the expiration of such period, under the authority of section 831k-1 of this title.

(May 18, 1933, ch. 32, § 15c, as added July 26, 1939, ch. 366, 53 Stat. 1083.)

REFERENCES IN TEXT

The date of enactment of this section, referred to in text, probably means July 26, 1939.

CODIFICATION

"Chapter 31 of title 31" and "such chapter" substituted in text for "the Second Liberty Bond Act, as amended" and "such Act, as amended," respectively, on authority of Pub. L. 97-258, § 4(b), Sept. 13, 1982, 96 Stat. 1067, the first section of which enacted Title 31, Money and Finance.

TRANSFER OF FUNCTIONS

Federal Power Commission terminated and its functions, personnel, property, funds, etc., transferred to Secretary of Energy (except for certain functions transferred to Federal Energy Regulatory Commission) by sections 7151(b), 7171(a), 7172(a), 7291, and 7293 of Title 42, The Public Health and Welfare.

Executive and administrative functions of Federal Power Commission, with certain reservations, transferred to Chairman of such Commission, with authority vested in him to authorize their performance by any officer, employee, or administrative unit under his jurisdiction, by Reorg. Plan No. 9 of 1950, §§ 1, 2, eff. May 24, 1950, 15 F.R. 3175, 64 Stat. 1265, set out as a note under section 792 of this title.

§ 831n-4. Bonds for financing power program

(a) Authorization; amount; use of proceeds; restriction on contracts for sale or delivery of power; exchange power arrangements; payment of principal and interest; bond contracts

The Corporation is authorized to issue and sell bonds, notes, and other evidences of indebtedness (hereinafter collectively referred to as "bonds") in an amount not exceeding \$30,000,000,000 outstanding at any one time to assist in financing its power program and to refund such bonds. The Corporation may, in performing functions authorized by this chapter, use the proceeds of such bonds for the construction, acquisition, enlargement, improvement, or replacement of any plant or other facility used or to be used for the generation or transmission of electric power (including the portion of any multiple-purpose structure used or to be used for power generation); as may be required in connection with the lease, lease-purchase, or any contract for the power output of any such plant or other facility; and for other purposes incidental thereto. Unless otherwise specifically authorized by Act of Congress the Corporation shall make no contracts for the sale or delivery of power which would have the effect of making the Corporation or its distributors, directly or indirectly, a source of power supply outside the area for which the Corporation or its distributors were the primary source of power supply on July 1, 1957, and such additional area extending not more than five miles around the periphery of such area as may be necessary to care for the growth of the Corporation and its distributors within said area: *Provided, however*, That such

additional area shall not in any event increase by more than 2½ per centum (or two thousand square miles, whichever is the lesser) the area for which the Corporation and its distributors were the primary source of power supply on July 1, 1957: *And provided further*, That no part of such additional area may be in a State not now served by the Corporation or its distributors or in a municipality receiving electric service from another source on or after July 1, 1957, and no more than five hundred square miles of such additional area may be in any one State now served by the Corporation or its distributors.

Nothing in this subsection shall prevent the Corporation or its distributors from supplying electric power to any customer within any area in which the Corporation or its distributors had generally established electric service on July 1, 1957, and to which electric service was not being supplied from any other source on the effective date of this Act.

Nothing in this subsection shall prevent the Corporation, when economically feasible, from making exchange power arrangements with other power-generating organizations with which the Corporation had such arrangements on July 1, 1957, nor prevent the Corporation from continuing to supply power to Dyersburg, Tennessee, and Covington, Tennessee, or from entering into contracts to supply or from supplying power to the cities of Paducah, Kentucky; Princeton, Kentucky; Glasgow, Kentucky; Fulton, Kentucky; Monticello, Kentucky; Hickman, Kentucky; Chickamauga, Georgia; Ringgold, Georgia; Oak Ridge, Tennessee; and South Fulton, Tennessee; or agencies thereof; or from entering into contracts to supply or from supplying power for the Naval Auxiliary Air Station in Lauderdale and Kemper Counties, Mississippi, through the facilities of the East Mississippi Electric Power Association: *Provided further*, That nothing herein contained shall prevent the transmission of TVA power to the Atomic Energy Commission or the Department of Defense or any agency thereof, on certification by the President of the United States that an emergency defense need for such power exists. Nothing in this chapter shall affect the present rights of the parties in any existing lawsuits involving efforts of towns in the same general area where TVA power is supplied to obtain TVA power.

The principal of and interest on said bonds shall be payable solely from the Corporation's net power proceeds as hereinafter defined. Net power proceeds are defined for purposes of this section as the remainder of the Corporation's gross power revenues after deducting the costs of operating, maintaining, and administering its power properties (including costs applicable to that portion of its multiple-purpose properties allocated to power) and payments to States and counties in lieu of taxes but before deducting depreciation accruals or other charges representing the amortization of capital expenditures, plus the net proceeds of the sale or other disposition of any power facility or interest therein, and shall include reserve or other funds created from such sources. Notwithstanding the provisions of section 831y of this title or any other provision of law, the Corporation may

pledge and use its net power proceeds for payment of the principal of and interest on said bonds, for purchase or redemption thereof, and for other purposes incidental thereto, including creation of reserve funds and other funds which may be similarly pledged and used, to such extent and in such manner as it may deem necessary or desirable. The Corporation is authorized to enter into binding covenants with the holders of said bonds—and with the trustee, if any—under any indenture, resolution, or other agreement entered into in connection with the issuance thereof (any such agreement being hereinafter referred to as a “bond contract”) with respect to the establishment of reserve funds and other funds, adequacy of charges for supply of power, application and use of net power proceeds, stipulations concerning the subsequent issuance of bonds or the execution of leases or lease-purchase agreements relating to power properties, and such other matters, not inconsistent with this chapter, as the Corporation may deem necessary or desirable to enhance the marketability of said bonds. The issuance and sale of bonds by the Corporation and the expenditure of bond proceeds for the purposes specified herein, including the addition of generating units to existing power-producing projects and the construction of additional power-producing projects, shall not be subject to the requirements or limitations of any other law.

(b) Bonds not obligations of or guaranteed by United States; apportionment of proceeds

Bonds issued by the Corporation hereunder shall not be obligations of, nor shall payment of the principal thereof or interest thereon be guaranteed by, the United States. Proceeds realized by the Corporation from issuance of such bonds and from power operations and the expenditure of such proceeds shall not be subject to apportionment under the provisions of subchapter II of chapter 15 of title 31.

(c) Sale; terms and conditions; method; limitation on amount; statement in annual report

Bonds issued by the Corporation under this section shall be negotiable instruments unless otherwise specified therein, shall be in such forms and denominations, shall be sold at such times and in such amounts, shall mature at such time or times not more than fifty years from their respective dates, shall be sold at such prices, shall bear such rates of interest, may be redeemable before maturity at the option of the Corporation in such manner and at such times and redemption premiums, may be entitled to such relative priorities of claim on the Corporation's net power proceeds with respect to principal and interest payments, and shall be subject to such other terms and conditions, as the Corporation may determine: *Provided*, That at least fifteen days before selling each issue of bonds hereunder (exclusive of any commitment shorter than one year) the Corporation shall advise the Secretary of the Treasury as to the amount, proposed date of sale, maturities, terms and conditions and expected rates of interest of the proposed issue in the fullest detail possible and, if the Secretary shall so request, shall consult with him or his designee thereon, but the

sale and issuance of such bonds shall not be subject to approval by the Secretary of the Treasury except as to the time of issuance and the maximum rates of interest to be borne by the bonds: *Provided further*, That if the Secretary of the Treasury does not approve a proposed issue of bonds hereunder within seven working days following the date on which he is advised of the proposed sale, the Corporation may issue to the Secretary interim obligations in the amount of the proposed issue, which the Secretary is directed to purchase. In case the Corporation determines that a proposed issue of bonds hereunder cannot be sold on reasonable terms, it may issue to the Secretary interim obligations which the Secretary is authorized to purchase. Notwithstanding the foregoing provisions of this subsection, obligations issued by the Corporation to the Secretary shall not exceed \$150,000,000 outstanding at any one time, shall mature on or before one year from date of issue, and shall bear interest equal to the average rate (rounded to the nearest one-eighth of a percent) on outstanding marketable obligations of the United States with maturities from dates of issue of one year or less as of the close of the month preceding the issuance of the obligations of the Corporation. If agreement is not reached within eight months concerning the issuance of any bonds which the Secretary has failed to approve, the Corporation may nevertheless proceed to sell such bonds on any date thereafter without approval by the Secretary in amount sufficient to retire the interim obligations issued to the Treasury and such interim obligations shall be retired from the proceeds of such bonds. For the purpose of any purchase of the Corporation's obligations the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under chapter 31 of title 31, and the purposes for which securities may be issued under chapter 31 of title 31 are extended to include any purchases of the Corporation's obligations hereunder. The Corporation may sell its bonds by negotiation or on the basis of competitive bids, subject to the right, if reserved, to reject all bids; may designate trustees, registrars, and paying agents in connection with said bonds and the issuance thereof; may arrange for audits of its accounts and for reports concerning its financial condition and operations by certified public accounting firms (which audits and reports shall be in addition to those required by sections 9105 and 9106 of title 31, may, subject to any covenants contained in any bond contract, invest the proceeds of any bonds and other funds under its control which derive from or pertain to its power program in any securities approved for investment of national bank funds and deposit said proceeds and other funds, subject to withdrawal by check or otherwise, in any Federal Reserve Bank or bank having membership in the Federal Reserve System; and may perform such other acts not prohibited by law as it deems necessary or desirable to accomplish the purposes of this section. Bonds issued by the Corporation hereunder shall contain a recital that they are issued pursuant to this section, and such recital shall be conclusive evidence of the regularity of the issuance and sale of such

bonds and of their validity. The annual report of the Board filed pursuant to section 831h of this title shall contain a detailed statement of the operation of the provisions of this section during the year.

(d) Lawful investment; exemption from taxation

Bonds issued by the Corporation hereunder shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of any officer or agency of the United States. The Secretary of the Treasury or any other officer or agency having authority over or control of any such fiduciary, trust, or public funds, may at any time sell any of the bonds of the Corporation acquired by them under this section. Bonds issued by the Corporation hereunder shall be exempt both as to principal and interest from all taxation now or hereafter imposed by any State or local taxing authority except estate, inheritance, and gift taxes.

(e) Payment of excess power proceeds into Treasury; deferral

From net power proceeds in excess of those required to meet the Corporation's obligations under the provisions of any bond or bond contract, the Corporation shall, beginning with fiscal year 1961, make payments into the Treasury as miscellaneous receipts on or before September 30, of each fiscal year as a return on the appropriation investment in the Corporation's power facilities, plus a repayment sum of not less than \$10,000,000 for each of the first five fiscal years, \$15,000,000 for each of the next five fiscal years, and \$20,000,000 for each fiscal year thereafter, which repayment sum shall be applied to reduction of said appropriation investment until a total of \$1,000,000,000 of said appropriation investment shall have been repaid. The said appropriation investment shall consist, in any fiscal year, of that part of the Corporation's total investment assigned to power as of the beginning of the fiscal year (including both completed plant and construction in progress) which has been provided from appropriations or by transfers of property from other Government agencies without reimbursement by the Corporation, less repayments of such appropriation investment made under title II of the Government Corporations Appropriation Act, 1948, this chapter, or other applicable legislation. The payment as a return on the appropriation investment in each fiscal year shall be equal to the computed average interest rate payable by the Treasury upon its total marketable public obligations as of the beginning of said fiscal year applied to said appropriation investment. Payments due hereunder may be deferred for not more than two years when, in the judgment of the Board of Directors of the Corporation, such payments cannot feasibly be made because of inadequacy of funds occasioned by drought, poor business conditions, emergency replacements, or other factors beyond the control of the Corporation.

(f) Rates for sale of power; application of net proceeds

The Corporation shall charge rates for power which will produce gross revenues sufficient to

provide funds for operation, maintenance, and administration of its power system; payments to States and counties in lieu of taxes; debt service on outstanding bonds, including provision and maintenance of reserve funds and other funds established in connection therewith; payments to the Treasury as a return on the appropriation investment pursuant to subsection (e) of this section; payment to the Treasury of the repayment sums specified in subsection (e) of this section; and such additional margin as the Board may consider desirable for investment in power system assets, retirement of outstanding bonds in advance of maturity, additional reduction of appropriation investment, and other purposes connected with the Corporation's power business, having due regard for the primary objectives of the chapter, including the objective that power shall be sold at rates as low as are feasible. In order to protect the investment of holders of the Corporation's securities and the appropriation investment as defined in subsection (e) of this section, the Corporation, during each successive five-year period beginning with the five-year period which commences on July 1 of the first full fiscal year after the effective date of this section, shall apply net power proceeds either in reduction (directly or through payments into reserve or sinking funds) of its capital obligations, including bonds and the appropriation investment, or to reinvestment in power assets, at least to the extent of the combined amount of the aggregate of the depreciation accruals and other charges representing the amortization of capital expenditures applicable to its power properties plus the net proceeds realized from any disposition of power facilities in said period. As of October 1, 1975, the five-year periods described herein shall be computed as beginning on October 1 of that year and of each fifth year thereafter.

(g) Power property; lease and lease-purchase agreements

Power generating and related facilities operated by the Corporation under lease and lease-purchase agreements shall constitute power property held by the Corporation within the meaning of section 831i of this title, but that portion of the payment due for any fiscal year under said section 831i of this title to a State where such facilities are located which is determined or estimated by the Board to result from holding such facilities or selling electric energy generated thereby shall be reduced by the amount of any taxes or tax equivalents applicable to such fiscal year paid by the owners or others on account of said facilities to said State and to local taxing jurisdictions therein. In connection with the construction of a generating plant or other facilities under an agreement providing for lease or purchase of said facilities or any interest therein by or on behalf of the Corporation, or for the purchase of the output thereof, the Corporation may convey, in the name of the United States by deed, lease, or otherwise, any real property in its possession or control, may perform necessary engineering and construction work and other services, and may enter into any necessary contractual arrangements.

(h) Congressional declaration of intent

It is declared to be the intent of this section to aid the Corporation in discharging its responsibility for the advancement of the national defense and the physical, social and economic development of the area in which it conducts its operations by providing it with adequate authority and administrative flexibility to obtain the necessary funds with which to assure an ample supply of electric power for such purposes by issuance of bonds and as otherwise provided herein, and this section shall be construed to effectuate such intent.

(May 18, 1933, ch. 32, §15d, as added Aug. 6, 1959, Pub. L. 86-137, §1, 73 Stat. 280; amended Aug. 14, 1959, Pub. L. 86-157, 73 Stat. 338; Aug. 12, 1966, Pub. L. 89-537, 80 Stat. 346; Oct. 14, 1970, Pub. L. 91-446, 84 Stat. 915; Nov. 28, 1975, Pub. L. 94-139, §1, 89 Stat. 750; Apr. 21, 1976, Pub. L. 94-273, §§2(30), 35(a), 90 Stat. 376, 380; Oct. 31, 1979, Pub. L. 96-97, 93 Stat. 730.)

REFERENCES IN TEXT

The effective date of this Act, referred to in subsec. (a), and “the effective date of this section”, referred to in subsec. (f), probably means the effective date of Pub. L. 86-137, which was approved Aug. 6, 1959.

Title II of the Government Corporations Appropriation Act, 1948, referred to in subsec. (e), means title II of act July 30, 1947, ch. 358, 61 Stat. 576, which was not classified to the Code.

CODIFICATION

In subsecs. (b) and (c), “subchapter II of chapter 15 of title 31”, “chapter 31 of title 31”, and “sections 9105 and 9106 of title 31” substituted for “Revised Statutes 3679, as amended (31 U.S.C. 665)”, “the Second Liberty Bond Act, as amended”, and “sections 105 and 106 of the Act of December 6, 1945 (59 Stat. 599; 31 U.S.C. 850-851)”, respectively, on authority of Pub. L. 97-258, §4(b), Sept. 13, 1982, 96 Stat. 1067, the first section of which enacted Title 31, Money and Finance.

AMENDMENTS

1979—Subsec. (a). Pub. L. 96-97 substituted “\$30,000,000,000” for “\$15,000,000,000”.

1976—Subsec. (e). Pub. L. 94-273, §2(30), substituted “September” for “June”.

Subsec. (f). Pub. L. 94-273, §35(a), inserted provision relating to computation of five-year periods as of Oct. 1, 1975.

1975—Subsec. (a). Pub. L. 94-139, §1(a), substituted “\$15,000,000,000” for “\$5,000,000,000”.

Subsec. (e). Pub. L. 94-139, §1(b), struck out “December 31 and” before “June 30”.

1970—Subsec. (a). Pub. L. 91-446 substituted “\$5,000,000,000” for “\$1,750,000,000”.

1966—Subsec. (a). Pub. L. 89-537 increased the limitation on the amount of revenue bonds the TVA may issue and sell from \$750,000,000 to \$1,750,000,000.

1959—Subsec. (a). Pub. L. 86-157 struck out proviso relating to the transmission of the power construction program to the Congress by the President with the budget estimates, and the provision for withholding initiation of construction of new power producing projects until the construction program of the Corporation has been before Congress in session for ninety calendar days.

TRANSFER OF FUNCTIONS

Atomic Energy Commission abolished and functions transferred by sections 5814 and 5841 of Title 42, The Public Health and Welfare. See also Transfer of Functions notes set out under those sections.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 824k of this title.

§ 831o. Completion of unfinished plants authorized

The board, whenever the President deems it advisable, is empowered and directed to complete Dam Numbered 2 at Muscle Shoals, Alabama, and the steam plant at nitrate plant numbered 2, in the vicinity of Muscle Shoals, by installing in Dam Numbered 2 the additional power units according to the plans and specifications of said dam, and the additional power unit in the steam plant at nitrate plant numbered 2. (May 18, 1933, ch. 32, §16, 48 Stat. 67.)

§ 831p. Repealed. Pub. L. 89-554, §8(a), Sept. 6, 1966, 80 Stat. 648

Section, act May 18, 1933, ch. 32, §17, 48 Stat. 67, authorized construction of the Cove Creek Dam across Clinch River.

§ 831q. Eminent domain; contracts for relocation of railroads, highways, industrial plants, etc.

In order to enable and empower the Secretary of the Army, the Secretary of the Interior, or the board to carry out the authority conferred in this chapter, in the most economical and efficient manner, he or it is authorized and empowered in the exercise of the powers of national defense in aid of navigation, and in the control of the flood waters of the Tennessee and Mississippi Rivers, constituting channels of interstate commerce, to exercise the right of eminent domain for all purposes of this chapter, and to condemn all lands, easements, rights of way, and other area necessary in order to obtain a site for said Cove Creek Dam, and the flowage rights for the reservoir of water above said dam, and to negotiate and conclude contracts with States, counties, municipalities, and all State agencies and with railroads, railroad corporations, common carriers, and all public utility commissions and any other person, firm, or corporation, for the relocation of railroad tracks, highways, highway bridges, mills, ferries, electric-light plants, and any and all other properties, enterprises, and projects whose removal may be necessary in order to carry out the provisions of this chapter. When said Cove Creek Dam, transmission line, and power house shall have been completed, the possession, use, and control thereof shall be intrusted to the Corporation for use and operation in connection with the general Tennessee Valley project, and to promote flood control and navigation in the Tennessee River.

(May 18, 1933, ch. 32, §18, 48 Stat. 67; July 26, 1947, ch. 343, title II, §205(a), 61 Stat. 501.)

CHANGE OF NAME

Department of War designated Department of the Army and title of Secretary of War changed to Secretary of the Army by section 205(a) of act July 26, 1947, ch. 343, title II, 61 Stat. 501. Section 205(a) of act July 26, 1947, was repealed by section 53 of act Aug. 10, 1956, ch. 1041, 70A Stat. 641. Section 1 of act Aug. 10, 1956, enacted “Title 10, Armed Forces” which in sections 3010 to 3013 continued military Department of the Army under administrative supervision of Secretary of the Army.

COMPLETION OF DAM

The site for the Cove Creek Dam has been obtained and the dam completed.

§ 831r. Patents; access to Patent and Trademark Office and right to copy patents; compensation to patentees

The Corporation, as an instrumentality and agency of the Government of the United States for the purpose of executing its constitutional powers, shall have access to the Patent and Trademark Office of the United States for the purpose of studying, ascertaining, and copying all methods, formula, and scientific information (not including access to pending applications for patents) necessary to enable the Corporation to use and employ the most efficacious and economical process for the production of fixed nitrogen, or any essential ingredient of fertilizer, or any method of improving and cheapening the production of hydroelectric power, and any owner of a patent whose patent rights may have been thus in any way copied, used, infringed, or employed by the exercise of this authority by the Corporation shall have as the exclusive remedy a cause of action against the Corporation to be instituted and prosecuted on the equity side of the appropriate district court of the United States, for the recovery of reasonable compensation for such infringement. The Commissioner of Patents and Trademarks shall furnish to the Corporation, at its request and without payment of fees, copies of documents on file in his office: *Provided*, That the benefits of this section shall not apply to any art, machine, method of manufacture, or composition of matter, discovered or invented by such employee during the time of his employment or service with the Corporation or with the Government of the United States.

(May 18, 1933, ch. 32, § 19, 48 Stat. 68; Jan. 2, 1975, Pub. L. 93-596, § 3, 88 Stat. 1949.)

CHANGE OF NAME

“Patent and Trademark Office” and “Commissioner of Patents and Trademarks” substituted in text for “Patent Office” and “Commissioner of Patents”, respectively, pursuant to section 3 of Pub. L. 93-596, set out as a note under section 1 of Title 35, Patents.

TRANSFER OF FUNCTIONS

For transfer of functions of other officers, employees, and agencies of Department of Commerce, with certain exceptions, to Secretary of Commerce, with power to delegate, see Reorg. Plan No. 5 of 1950, § 1, 2, eff. May 24, 1950, 15 F.R. 3174, 64 Stat. 1263, set out in the Appendix to Title 5, Government Organization and Employees.

FEDERAL RULES OF CIVIL PROCEDURE

Abolition of distinction between actions at law and suits in equity, see rule 2, and note of Advisory Committee thereto, Title 28, Appendix, Judiciary and Judicial Procedure.

§ 831s. Possession by Government in time of war; damages to contract holders

The Government of the United States reserves the right, in case of war or national emergency declared by Congress, to take possession of all or any part of the property described or referred to in this chapter for the purpose of manufacturing explosives or for other war purposes; but, if this right is exercised by the Government, it shall pay the reasonable and fair damages that may be suffered by any party whose contract for

the purchase of electric power or fixed nitrogen or fertilizer ingredients is violated, after the amount of the damages has been fixed by the United States Court of Federal Claims in proceedings instituted and conducted for that purpose under rules prescribed by the court.

(May 18, 1933, ch. 32, § 20, 48 Stat. 68; Apr. 2, 1982, Pub. L. 97-164, title I, § 161(2), 96 Stat. 49; Oct. 29, 1992, Pub. L. 102-572, title IX, § 902(b)(1), 106 Stat. 4516.)

AMENDMENTS

1992—Pub. L. 102-572 substituted “United States Court of Federal Claims” for “United States Claims Court”.

1982—Pub. L. 97-164 substituted “Claims Court” for “Court of Claims”.

EFFECTIVE DATE OF 1992 AMENDMENT

Amendment by Pub. L. 102-572 effective Oct. 29, 1992, see section 911 of Pub. L. 102-572, set out as a note under section 171 of Title 28, Judiciary and Judicial Procedure.

EFFECTIVE DATE OF 1982 AMENDMENT

Amendment by Pub. L. 97-164 effective Oct. 1, 1982, see section 402 of Pub. L. 97-164, set out as a note under section 171 of Title 28, Judiciary and Judicial Procedure.

TERMINATION OF WAR AND EMERGENCIES

Joint Res. July 25, 1947, ch. 327, § 3, 61 Stat. 451, provided that in the interpretation of this section, the date July 25, 1947, shall be deemed to be the date of termination of any state of war theretofore declared by Congress and of the national emergencies proclaimed by the President on September 8, 1939, and May 27, 1941.

§ 831t. Offenses; fines and punishment

(a) Larceny, embezzlement and conversion

All general penal statutes relating to the larceny, embezzlement, conversion, or to the improper handling, retention, use, or disposal of public moneys or property of the United States, shall apply to the moneys and property of the Corporation and to moneys and properties of the United States intrusted to the Corporation.

(b) False entry, report or statement

Any person who, with intent to defraud the Corporation, or to deceive any director, officer, or employee of the Corporation or any officer or employee of the United States (1) makes any false entry in any book of the Corporation, or (2) makes any false report or statement for the Corporation, shall, upon conviction thereof, be fined not more than \$10,000 or imprisoned not more than five years, or both.

(c) Conspiracy to defraud

Any person who shall receive any compensation, rebate, or reward, or shall enter into any conspiracy, collusion, or agreement, express or implied, with intent to defraud the Corporation or wrongfully and unlawfully to defeat its purposes, shall, on conviction thereof, be fined not more than \$5,000 or imprisoned not more than five years, or both.

(May 18, 1933, ch. 32, § 21, 48 Stat. 68.)

§ 831u. Surveys; cooperation with States or other agencies

To aid further the proper use, conservation, and development of the natural resources of the

Tennessee River drainage basin and of such adjoining territory as may be related to or materially affected by the development consequent to this chapter, and to provide for the general welfare of the citizens of said areas, the President is authorized, by such means or methods as he may deem proper within the limits of appropriations made therefor by Congress, to make such surveys of and general plans for said Tennessee basin and adjoining territory as may be useful to the Congress and to the several States in guiding and controlling the extent, sequence, and nature of development that may be equitably and economically advanced through the expenditure of public funds, or through the guidance or control of public authority, all for the general purpose of fostering an orderly and proper physical, economic, and social development of said areas; and the President is further authorized in making said surveys and plans to cooperate with the States affected thereby, or subdivisions or agencies of such States, or with cooperative or other organizations, and to make such studies, experiments, or demonstrations as may be necessary and suitable to that end.

(May 18, 1933, ch. 32, § 22, 48 Stat. 69.)

EX. ORD. NO. 6161. CONSERVATION AND DEVELOPMENT OF THE NATURAL RESOURCES OF THE TENNESSEE RIVER DRAINAGE BASIN

Ex. Ord. No. 6161, June 8, 1933, provided:

In accordance with the provisions of section 22 and section 23 of the Tennessee Valley Authority Act of 1933 [sections 831u and 831v of this title], the President hereby authorizes and directs the Board of Directors of the Tennessee Valley Authority to make such surveys, general plans, studies, experiments, and demonstrations as may be necessary and suitable to aid the proper use, conservation, and development of the natural resources of the Tennessee River drainage basin, and of such adjoining territory as may be related to or materially affected by the development consequent to this act, and to promote the general welfare of the citizens of said area; within the limits of appropriations made therefor by Congress.

FRANKLIN D. ROOSEVELT.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 831v of this title.

§ 831v. Legislation to carry out purposes of chapter; recommendation by President

The President shall, from time to time, as the work provided for in section 831u of this title progresses, recommend to Congress such legislation as he deems proper to carry out the general purposes stated in said section, and for the especial purpose of bringing about in said Tennessee drainage basin and adjoining territory in conformity with said general purposes (1) the maximum amount of flood control; (2) the maximum development of said Tennessee River for navigation purposes; (3) the maximum generation of electric power consistent with flood control and navigation; (4) the proper use of marginal lands; (5) the proper method of reforestation of all lands in said drainage basin suitable for reforestation; and (6) the economic and social well-being of the people living in said river basin.

(May 18, 1933, ch. 32, § 23, 48 Stat. 69.)

§ 831w. Acquisition of real or personal property; payment by delivery of power; sale or lease of vacant land for industrial purposes

For the purpose of securing any rights of flowage, or obtaining title to or possession of any property, real or personal, that may be necessary or may become necessary, in the carrying out of any of the provisions of this chapter, the President of the United States for a period of three years from May 18, 1933, is authorized to acquire title in the name of the United States to such rights or such property, and to provide for the payment for same by directing the board to contract to deliver power generated at any of the plants now owned or hereafter owned or constructed by the Government or by said Corporation, such future delivery of power to continue for a period not exceeding thirty years. Likewise, for one year after May 18, 1933, the President is further authorized to sell or lease any parcel or part of any vacant real estate now owned by the Government in said Tennessee River Basin, to persons, firms, or corporations who shall contract to erect thereon factories or manufacturing establishments, and who shall contract to purchase of said Corporation electric power for the operation of any such factory or manufacturing establishment. No contract shall be made by the President for the sale of any of such real estate as may be necessary for present or future use on the part of the Government for any of the purposes of this chapter. Any such contract made by the President of the United States shall be carried out by the board: *Provided*, That no such contract shall be made that will in any way abridge or take away the preference right to purchase power given in this chapter to States, counties, municipalities, or farm organizations: *Provided further*, That no lease shall be for a term to exceed fifty years: *Provided further*, That any sale shall be on condition that said land shall be used for industrial purposes only.

(May 18, 1933, ch. 32, § 24, 48 Stat. 69.)

§ 831x. Condemnation proceedings; institution by Corporation; venue

The Corporation may cause proceedings to be instituted for the acquisition by condemnation of any lands, easements, or rights-of-way which, in the opinion of the Corporation, are necessary to carry out the provisions of this chapter. The proceedings shall be instituted in the United States district court for the district in which the land, easement, right-of-way, or other interest, or any part thereof, is located, and such court shall have full jurisdiction to divest the complete title to the property sought to be acquired out of all persons or claimants and vest the same in the United States in fee simple, and to enter a decree quieting the title thereto in the United States of America.

(May 18, 1933, ch. 32, § 25, 48 Stat. 70; July 12, 1952, ch. 700, 66 Stat. 591; Sept. 28, 1968, Pub. L. 90-536, § 1, 82 Stat. 885.)

AMENDMENTS

1968—Pub. L. 90-536 repealed six paragraphs following initial paragraph which provided as follows: appoint-

ment of three commissioners, oath as to absence of interest, and per diem for services and subsistence, and transportation expenses; duties of commissioners as to valuation of lands, conduct of hearings, taking of evidence, administration of oaths, subpoena of witnesses, submission of report as to value of land, and notice of award to parties; hearing de novo of exceptions to award by three Federal district judges and judicial award; disposition upon record after appeal from decision of judges; passage of title and possession to property and enforcement by writ of dispossession; and legal representatives for minors, insane or incompetents, and estates of deceased, or guardians ad litem for wards.

1952—Act July 12, 1952, increased the commissioners' per diem from \$15 to \$30, their sustenance from \$5 to \$10 a day, and allowed them 7 cents mileage.

EFFECTIVE DATE OF 1968 AMENDMENT

Section 2 of Pub. L. 90-536 provided that: "The amendment made by this Act [amending this section] shall be effective only with respect to condemnation proceedings initiated after thirty days following the date of enactment of this Act [Sept. 28, 1968]."

FEDERAL RULES OF CIVIL PROCEDURE

Procedure in condemnation proceedings, see rule 71A, Title 28, Appendix, Judiciary and Judicial Procedure. Effect of this rule upon this section, see Advisory Committee note under such rule.

§ 831y. Net proceeds over expense payable into Treasury

Commencing July 1, 1936, the proceeds for each fiscal year derived by the Board from the sale of power or any other products manufactured by the Corporation, and from any other activities of the Corporation including the disposition of any real or personal property, shall be paid into the Treasury of the United States on March 31 of each year, save and except such part of such proceeds as in the opinion of the Board shall be necessary for the Corporation in the operation of dams and reservoirs, in conducting its business in generating, transmitting, and distributing electric energy and in manufacturing, selling, and distributing fertilizer and fertilizer ingredients. A continuing fund of \$1,000,000 is also excepted from the requirements of this section and may be withheld by the Board to defray emergency expenses and to insure continuous operation: *Provided*, That nothing in this section shall be construed to prevent the use by the Board, after June 30, 1936, of proceeds accruing prior to July 1, 1936, for the payment of obligations lawfully incurred prior to such latter date.

(May 18, 1933, ch. 32, § 26, 48 Stat. 71; Aug. 31, 1935, ch. 836, § 10, 49 Stat. 1079; Apr. 21, 1976, Pub. L. 94-273, § 35(b), 90 Stat. 380.)

AMENDMENTS

1976—Pub. L. 94-273 substituted "on March 31 of each year" for "at the end of each calendar year".

1935—Act Aug. 31, 1935, amended section generally.

CROSS REFERENCES

Consideration of budget programs, this section as not affected, see section 9104 of Title 31, Money and Finance.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 831n-4 of this title; title 31 section 9104.

§ 831y-1. Approval of plans by Board as condition precedent to construction and operation; restraining action without approval; other laws unaffected

The unified development and regulation of the Tennessee River system requires that no dam, appurtenant works, or other obstruction, affecting navigation, flood control, or public lands or reservations shall be constructed, and thereafter operated or maintained across, along, or in the said river or any of its tributaries until plans for such construction, operation, and maintenance shall have been submitted to and approved by the Board; and the construction, commencement of construction, operation, or maintenance of such structures without such approval is prohibited. When such plans shall have been approved, deviation therefrom either before or after completion of such structures is prohibited unless the modification of such plans has previously been submitted to and approved by the Board.

In the event the Board shall, within sixty days after their formal submission to the Board, fail to approve any plans or modifications, as the case may be, for construction, operation, or maintenance of any such structures on the Little Tennessee River, the above requirements shall be deemed satisfied, if upon application to the Secretary of the Army, with due notice to the Corporation, and hearing thereon, such plans or modifications are approved by the said Secretary of the Army as reasonably adequate and effective for the unified development and regulation of the Tennessee River system.

Such construction, commencement of construction, operation, or maintenance of any structures or parts thereof in violation of the provisions of this section may be prevented, and the removal or discontinuation thereof required by the injunction or order of any district court exercising jurisdiction in any district in which such structures or parts thereof may be situated, and the Corporation is authorized to bring appropriate proceedings to this end.

The requirements of this section shall not be construed to be a substitute for the requirements of any other law of the United States or of any State, now in effect or hereafter enacted, but shall be in addition thereto, so that any approval, license, permit, or other sanction now or hereafter required by the provisions of any such law for the construction, operation, or maintenance of any structures whatever, except such as may be constructed, operated, or maintained by the Corporation, shall be required, notwithstanding the provisions of this section.

(May 18, 1933, ch. 32, § 26a, as added Aug. 31, 1935, ch. 836, § 11, 49 Stat. 1079; amended July 26, 1947, ch. 343, title II, § 205(a), 61 Stat. 501.)

CHANGE OF NAME

Department of War designated Department of the Army and title of Secretary of War changed to Secretary of the Army by section 205(a) of act July 26, 1947, ch. 343, title II, 61 Stat. 501. Section 205(a) of act July 26, 1947, was repealed by section 53 of act Aug. 10, 1956, ch. 1041, 70A Stat. 641. Section 1 of act Aug. 10, 1956, enacted "Title 10, Armed Forces" which in sections 3010 to 3013 continued military Department of the Army under administrative supervision of Secretary of the Army.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in title 33 section 2106.

§ 831z. Authorization of appropriations

All appropriations necessary to carry out the provisions of this chapter are authorized.

(May 18, 1933, ch. 32, § 27, 48 Stat. 71.)

§ 831aa. Laws repealed

All acts or parts of acts in conflict with this chapter are repealed, so far as they affect the operations contemplated by this chapter.

(May 18, 1933, ch. 32, § 28, 48 Stat. 71.)

§ 831bb. Reservation of right to amend or repeal

The right to alter, amend, or repeal this chapter is expressly declared and reserved, but no such amendment or repeal shall operate to impair the obligation of any contract made by said Corporation under any power conferred by this chapter.

(May 18, 1933, ch. 32, § 29, 48 Stat. 72.)

§ 831cc. Separability

The sections of this chapter are declared to be separable, and in the event any one or more sections of this chapter be held to be unconstitutional, the same shall not affect the validity of other sections of this chapter.

(May 18, 1933, ch. 32, § 30, 48 Stat. 72; Aug. 31, 1935, ch. 836, § 15, 49 Stat. 1081.)

AMENDMENTS

1935—Act Aug. 31, 1935, reenacted provisions of this section without change.

§ 831dd. Liberal construction of chapter; sale of surplus lands

This chapter shall be liberally construed to carry out the purposes of Congress to provide for the disposition of and make needful rules and regulations respecting Government properties entrusted to the Authority, provide for the national defense, improve navigation, control destructive floods, and promote interstate commerce and the general welfare, but no real estate shall be held except what is necessary in the opinion of the Board to carry out plans and projects actually decided upon requiring the use of such land: *Provided*, That any land purchased by the Authority and not necessary to carry out plans and projects actually decided upon shall be sold by the Authority as agent of the United States, after due advertisement, at public auction to the highest bidder.

(May 18, 1933, ch. 32, § 31, as added Aug. 31, 1935, ch. 836, § 12, 49 Stat. 1080.)

CODIFICATION

As originally enacted, the last sentence of this section contained, at the end thereof, the words “or at private sale as provided in section 3 of this amendatory Act.” Section 3 of the amendatory act of Aug. 31, 1935, added subsec. (k) to section 831c of this title.

CHAPTER 12B—BONNEVILLE PROJECT

Sec.

832. Completion and maintenance of project; generation of electricity.

Sec.

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CHAPTER REFERRED TO IN OTHER SECTIONS

This chapter is referred to in sections 839c, 839e, 837f of this title; title 40 section 474; title 42 section 7152.

§ 832. Completion and maintenance of project; generation of electricity

For the purpose of improving navigation on the Columbia River, and for other purposes incidental thereto, the dam, locks, power plant, and appurtenant works under construction on August 20, 1937, at Bonneville, Oregon and North Bonneville, Washington (called Bonneville project in this chapter), shall be completed,